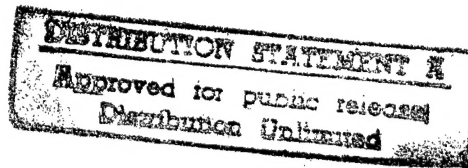


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7 March 1984



## Near East/South Asia Report

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7 March 1984

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## PROSPECTS FOR 1984 ECONOMY EXAMINED

Cairo AL-MUSAWWAR in Arabic No 3093, 20 Jan 84 pp 22-23

[Article by Majid 'Atiyah: "Economic Course for the New Year: Will Election Campaign Influence Completion Rates? Will Interest Rates on Savings Rise in Egypt? Will New Better-Quality Bread Be Produced at a Different Price?"]

[Text] What is going on with regard to the economic course for the new year? There are required growth rates, target performance rates and suspense figures which it is hoped will be realized upon completion of the latter half of the 2nd-year plan and the first half of the 3rd-year plan.

This year's economic course is surrounded by influential internal and external factors. Internally, the specter of elections, which are distinct from any other previous elections due to the introduction of an intense partisan and competitive element, particularly since the emergence of the al-Wafd Party that is running for election for the first time in 30 years, will settle over the country. This means that the state, both on the official and popular levels, will be considerably preoccupied for several months with facing the election campaign and its possible struggles.

The external factor is still the specter of inflation and stagnation dominating the European and American economies which influences trade relations as well as available financial resources for developing countries in general, to say nothing of import and export prices.

A question is raised here about the effect of this situation on the plan's objectives and rates.

The answer is that there might be a negative effect during the election period, which may last more than 2 months. However, the implementation rate for the first half of the plan's 2nd year, particularly in the construction field, can make up for the slowdown during the election period. Thus, it may be said that the growth rate may be close to the target rate despite all apprehensions over the effect of elections on the course and rates of implementation.

As for the external factors' effect on development financing, the plan was based on fixed available resources, and therefore there is no fear of a money shortage for the declared plan, even though there are some signs of difficulties

for the new plan regarding foreign financing, be it on the official level, on the level of governments and international bodies or on the private level, which consists of bank credits and facilities for suppliers. Herein lies the expectation for increased reliance on local financing. This direction actually emerged in the government's policy whereby the rate of foreign financing dropped in favor of local financing. The rate of reliance on local financing is expected to grow during the new year.

#### More National Revenues

Gross national revenues, amounting to about 11 billion Egyptian pounds in the 1983-84 budget, are expected to grow, and concentration will be on increasing public and private savings through interest rates on Egyptian currency.

The rate of levied taxes, particularly indirect taxes which are 65 percent of tax revenues, is also expected to rise, although the government is trying to ease the burden of such taxes because it falls on the ordinary citizen. The government is also trying to reduce general spending considerably to ease the burden on the general budget.

Hence, those who follow the preparation of the new general budget in mid-1984 expect a drop in the net deficit rate of 20 percent from the current year to 1 billion pounds only, as compared to 1.3 billion pounds and about 1.5 billion pounds for the previous year, even though the overall deficit figure is much higher than the net deficit figure.

#### Value of Egyptian Pound

All this requires, however, a series of complementary policies to help realize these objectives. How can such policies be handled and addressed? These issues raise questions that need answers.

What is the situation regarding the multiple values of the Egyptian pound (rate of exchange) in relation to foreign currency? Such multiplicity causes confusion in the Egyptian market and creates an imbalance in dealing with investment statue companies with regard to profit financing which has been the subject of considerable grievances by these companies. Moreover, this multiplicity is considered an influential element in the inflation of the Egyptian economy that has a direct effect on social life.

Actual studies of this issue have been conducted. The new year may see an initiative toward a unified rate of exchange in the prime available revenues of foreign currency. Proposals include maintenance of the exchange rate of 70 piasters to the dollar used in transactions with the central bank, particularly since the central bank deals in official revenues like oil, the Suez Canal and cotton. Transactions within commercial banks (public sector) will be open to a free rate of exchange with the necessary regulations to preserve the value of the Egyptian pound and to encourage transfers from Egyptians working abroad, in view of the fact that such transfers are a main source of foreign currency at commercial banks. The central bank sets these regulations in relation to the exchange rate among all banks operating in Egypt while encouraging

them to draw the largest possible amount of foreign currency. Can this be done through higher interest rates on local and foreign savings despite the perils of inflation?

#### Private-sector Imports

What then is the situation in light of this with regard to the system of importation without money transfer, especially since this system has been established in connection with market demands for production requirements, spare parts and food imports which play an important role in eliminating food shortages in the Egyptian market?

No change in this policy is anticipated although there may be some tightening of imports by the import rationing committees in favor of the balance of payments. Although the surplus so far does not exceed 100 million Egyptian pounds, these millions have caused some sort of price instability in the market in the direction of an increase over the realized surplus.

On the subject of growth rates for the new year, what is the status of foreign investments which were very sluggish last year? Will they pick up again?

The uneasy situation in the Arab region has compelled the Arab investor to look to Egypt as the most stable of the Arab countries for investment. Therefore, the new year is expected to see important facilities for Arab investments in order that they may contribute to Egypt's economic growth without the red tape that has reigned over investment activities in recent years. These facilities include establishment of new Arab banks with Egyptian partnership to augment foreign currency within the country, to buttress Egyptian foreign trade financing and to help finance investments in accordance with rules and regulations set by the Egyptian Central Bank.

#### New Bread!

Another important question: What is the situation concerning bread? Will there be a policy for improving the quality of bread, presently used as fodder, to make it more wholesome and edible?

It is no secret that bread is the main focal point of the government's policy of subsidies to the citizenry. However, these subsidies have become a source of excessive riches for bakery owners and pastry shops. Furthermore, low bread prices have led to higher human and non-human consumption, thus creating pressure that has affected the quality of bread to a degree that it has become inedible. There is a study that estimates the rate of waste in bread consumption--the rate of non-human use--at about 40 percent of production. This study proposes the production of new improved bread at a higher price while maintaining the price of ordinary bread at 10 milliemes in order to give the consumer a range of prices and grades [of bread]. For its part, the government is making every conceivable effort to increase production and expand the network of automated bakeries to meet the country's demand and to protect the consumer from exploitation.

## Independence of Public Sector

We come to the question of public-sector companies which are sustaining growing losses due to mandatory price fixing which in some cases is less than 50 percent of production costs. Some of these fixed prices are over 15 years old.

The new year may witness a partial application of a 3-year-old study concerning a balance between production costs and consumer prices. Draft proposals were submitted for a new policy advocating that the government buy commercial goods at cost plus a limited margin of profit for basic commodities and sell them at the desired subsidized price instead of burdening companies with heavy losses that impede their economic growth and influence the gross national product. This last proposal has emerged anew and has been discussed with competent authorities. So, will 1984 witness the first step in the implementation of this policy out of compassion for public-sector production companies and with a view to giving the public sector equal opportunities with the private sector regarding production costs, sales prices, profit margins and a surplus to be used in self-financing for replacement, renovation, expansion and higher improved production?

## Wages and Incentives

Domestic economic activity is experiencing a dangerous dualism regarding the policy of wages and prices between the government and the public sector, on the one hand, and the private sector, on the other, a matter that has led to a defection of capabilities from the public sector. Is there a plan to address this?

The year 1984 will witness an improvement in government and public-sector wages not only through the new equalization law but through additional raises incorporated in the new budget, in addition to a higher annual raise. The equalization law will raise the wages of large groups of employees.

Moreover, a policy of incentives, comprising a fixed monthly income in many sectors, will be launched this year. These incentives cost about 50 percent of the total government and public-sector wages, making the average salary in the industrial sector 1,100 Egyptian pounds and over that amount in the oil, electric power and energy sectors. The figure of government public agencies and public-sector wages plus incentives is expected to go up by 8 billion Egyptian pounds annually.

The new year will witness other expectations in the economic course, including the following"

Egyptian banks will go international, particularly in Europe, America and the Arab world. The Egyptian Central Bank will open a branch in New York following the opening of its branch in London last year. A study is underway for other branches in the Arab world; Misr Bank is concluding a study for establishing a branch in Paris.

The vice-president of the National Investment Bank (the plan bank), Dr Sa'd al-Hanafi, has retired. The position has the rank of minister, and the bank is headed by the minister of planning who has already taken personal charge of the bank's management. Someone will be named this year to fill this position which has put an added burden on the minister of planning, especially since this bank finances plan profits and follows up work progress. So what is the status of the bank law?

Talk about the necessity to get the credit policy in banks underway notwithstanding, no changes are expected in the policy the central bank imposed on all banks operating in Egypt.

The trade portocol with the USSR allows an increase in Egyptian non-traditional exports by 25 percent over last year in exchange for production needs and spare parts for Egypt.

Egypt will end its dealings with the People's Republic of China such as its request to be treated as a "treaties state," and accounting will be done on the basis of the free rates of the unit of trade.

Wages will be increased by 10 percent on the average, partly as a result of cost-of-living adjustments and partly because of the new equalization law.

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RECORD OF SOCIALIST PROSECUTOR'S OFFICE REVIEWED

Cairo AL-MUSAWWAR in Arabic No 3093, 20 Jan 84 pp 24-26

[Interview with Justice 'Abd-al-Qadir Ahmad 'Ali by Yusuf al-Qa'id and Muhammad al-Hanafi: "Twelve Months' Journey in the Public Prosecutor's Papers"; date and place not specified]

[Text] March is the annual date.

In March, the Socialist Prosecutor's Office submits to the president [of the republic] and the president of the People's Assembly a report on work done during 1 year of its life. For this office, this is a time to pause and take stock of its work and achievements during this [past] year.

Although this year marks the office's 12th anniversary, this report is a new tradition attributable to Law No 95 of 1980, which provides for the submission of an annual report.

The first report was submitted in March 1981, thereby setting the rule [i.e., precedent] for the annual report. This year's report will be the fourth to be submitted by this office. These four reports have been presented during the tenure of Justice 'Abd-al-Qadir Ahmad 'Ali, who took charge of the office in mid-1980.

What does a year in the life of the Socialist Prosecutor's Office mean? Before posing this question, one basic observation must be made: 1983 was a year in the life of the office for more work and less talk. It was a year for settling a large number of cases and for out-of-court settlements; it was a new phase. Before, everyone was determined to take the matter all the way to the courts. Nowadays, many opt for out-of-court settlements amounting to millions of pounds, perhaps because they realize that the law applies to all without exception.

On the other hand, the Socialist Prosecutor's Office settles a large number of cases and regains rights for the state, the public-sector companies and others as well.

Out of concern for the citizen who has given restitution for the rights of others and specifically that he may be permitted to continue to lead an honest life, the office prefers not to make these matters public.



## What Does 1983 Mean?

Before seeking an answer to this question, we would like to state that this year was a year of taxes and customs; of endowments, banks and public-sector companies; and of thousands of citizens who received refunds of key money paid to landlords.

It is the year of more work and less talk about these cases. The main feature now is the common objective held by everyone who goes before the office: to settle the matter and repay what he collected.

The first question is about complaints referred to the office and what has been done about them. Justice 'Abd-al-Qadir Ahmad 'Ali said:

"From January until the end of October 1983, the Socialist Prosecutor's Office received 8,308 complaints reflecting people's distress and sufferings due to landlord exploitation through key money charges not included in the lease. Those who sought the help of the socialist prosecutor found protection because they were able to retrieve 461,000 pounds in refunds."

[Question] How did the office handle those 8,308 complaints?

[Answer] All these cases were examined; 1,319 cases were referred to the general prosecutor, 20 to the administrative prosecutor, 2 to the military prosecutor and only 1 to the personal statutes prosecutor. Referred to other government authorities were 1,392 cases; 32 cases have been investigated, 2,468 are under investigation and 2,500 cases were retired after appropriate action was taken. We must also mention that all these cases did not involve tenants and landlords alone but included almost all other problems suffered by people from day to day.

## Landlord-tenant Cases

[Question] In landlord-tenant cases, do you just impose receivership, or are there other measures you take?

[Answer] The office does not just seize the property of those liable and is not satisfied with just receiving orders. Rather, its role goes far beyond that. From January to October 1983, the office obtained the following money refunds:

445,416.50 Egyptian pounds, or 25 percent of the money received in the Hasan Surur case.

25,130 pounds, or 40 percent of the payments received from tenants or over the 20 percent refunded in 1982 in the Jawdat 'Abd-al-Mahdi Muhammadayn case.

2,168.25 pounds for the balance of key money received from tenants in the Hamid Ibrahim Mahmud case. He refunded 37,880 pounds last year.

222,660 pounds, or 30 percent of the amount due to tenants in the 'Abd-al-Muhsin Sayyid Ahmad case. The total amount owed is 695,365.75 pounds.

Hence, the office was able to get refunds of close to 1.5 million pounds for a group of Egyptian tenants. This money was almost lost, but the office protected individual interests which together constitute the economic interests of society. This was in addition to numerous other cases as follows:

Complaint No 108 for 1983: after initiating an investigation, [the office] was able to obtain a refund of 76,500 pounds for the tenants.

Complaint No 71 for 1982: the office obtained refunds of 40,000 pounds for tenants.

Complaint No 67 for 1983: the office obtained refunds of 10,000 pounds for 1 tenant.

Complaint No 50 for 1983: the office obtained refunds of 115,500 pounds for 12 tenants.

Complaint No 50 for 1982: the office obtained refunds of 35,500 pounds for 9 tenants.

Complaint No 370 for 1982: the office obtained refunds of 40,000 pounds for 7 tenants.

Complaint No 131 for 1981: the office obtained refunds for 30,000 pounds for 16 tenants.

Complaint No 222 for 1982: the office obtained refunds of 34,500 pounds for 5 tenants.

This is how the office helps expedite settlement of the difficult problems facing the masses: the problems of housing and tenant-landlord relationships. The refunds mentioned above are only a sampling and do not in any way represent the total amount.

[Question] This concerns private money. What public money has the office collected?

[Answer] The office was able to obtain refunds to the public treasury owed by some of those who were placed under receivership. It obtained refunds in the amount of 320,924.103 pounds for the General Tax Administration, 23,139.159 pounds for the Real Estate Tax Administration and 14,926.380 pounds for the Telecommunications Authority. Total refunds to government agencies were 358,989.642 pounds.

There were many cases involving public-sector money. One case was the complaint by the Alexandria Textile Company against citizen Salah-al-Din Ahmad Bayyumi who defaulted on a debt of 128,268.330 pounds. The office investigated the case and was able to obtain a refund of 14,477 pounds of the total debt, and an agreement was reached to pay the rest in installments.

With regard to the complaint of the Alexandria Oil and Soap Company against Fahmi Shukri Habib, the office was able to obtain a refund of 160,000 Egyptian pounds.

The public-sector Egyptian General Paper and Stationery Company got a refund of 226,000 pounds.

[Question] Why does the office issue impoundment orders but in some cases does not follow them up with a request for receiving orders.

[Answer] The fact is that some cases are retired and impoundment orders are rescinded when reasons and justifications for such actions disappear. This occurs when someone obtains large sums of illicit money and repays them to the rightful individuals and state authorities. When money is repaid, the reasons for impoundment no longer exist. Rather, the office which requested imposition of receivership in the first place requests the lifting of receivership when warranted.

[Question] What were the significant cases for this year?

[Answer] This year the office investigated the case of Kamil al-Kafrawi and referred it to the Values Court. It is presently investigating the case of Muhammad Lutfi who is involved in housing and construction cases. In the case of Mrs Khadijah al-Turkiyah, the office was able to impound land and real estate valued at 100 million pounds.

[Question] What about other cases?

[Answer] The Customs Office filed a complaint with the office against Muhammad 'Abd-al-Nabi Muhammad, a lumber importer who defaulted on a 3-million-pound payment to the Customs Office. He paid one-half million pounds, pending an amicable settlement.

Also, there is the case of another lumber importer, 'Abd-al-Wahid Muhammad al-Sughayyar, who defaulted on a 9-million-pound payment to the Customs Office. An impoundment decision was issued against his property.

Another case is that of Zaynhum Mahmud Ahmad, owner of the "artisan" company which owed 20 million pounds. Investigation revealed that he owed 15 million pounds in back taxes and about 45 million to banks.

'Abd-al-'Al Muhammad al-Sughayyar, who owed 24 million in customs fees, has paid 577,000 pounds to customs, 50,000 pounds to the tax office and 161,000 pounds to the building and construction cooperative in al-Daqahliyah [Governorate]. The Socialist Prosecutor's Office has also received from the Ministry of Finance a list of about 37 financiers who have evaded their 1983 taxes. The office investigated this matter, and an agreement for time payments was reached with the tax office: 500,131 pounds have been paid and the case remains in deliberation until total settlement is reached.

An eminent businessman tried to defraud the Development and Commerce Bank of a 1.8-million-pound loan. He was investigated, and it turned out that he owed 3 million pounds in back taxes, which he paid. Another citizen obtained \$80 million from government banks with false guarantees, but he returned the whole amount to the loaning banks after an investigation. The office also investigated the case of "awqaf lands" [estates in mortmain] in Alexandria. It authenticated 21 legal deeds amounting to over 1,397 feddans valued at 1,451,616 pounds.

[Question] What comes after impounding and receivership?

[Answer] Each case is handled on its own merits based on special circumstances and work procedures. Recommendations and legislative proposals deemed necessary are sent to the competent authorities so that matters can take their proper course.

[Question] Any examples?

[Answer] In the case of lumber importation, the office sent many recommendations to the Customs Office concerning release of lumber shipments coming into Egypt in order to avoid fraud by importers. The office sent these observations in a well-organized legal form.

These recommendations were:

Creation of a register to serve as a reference for manifests submitted to customs concerning bills of lading and to authenticate all phases and measures taken in connection with each bill of lading.

Amendment of the lumber inspection law whereby inspection is conducted by a technical committee which is required to prepare a special detailed report on customs-exempt lumber.

Special documents related to customs release must be handled under the supervision of a customs employee to prevent fraud and tinkering with information.

Likewise, in endowment cases the office issued precise and specific recommendations to regain the rest of the land. There were eight recommendations covering various specific measures for settling the whole matter. The office notified the Endowment Office because the object of these measures was to safeguard endowed property.

[Question] What specifically are these instructions and recommendations?

[Answer] The office issued several recommendations, to the following effect:

1. A committee must be formed in every Egyptian endowment district to assess estates in mortmain where superficiary rights have expired and which are free of superficies [buildings or trees] as of the enactment date of Law No 43 for 1982 (15 June 1982).

2. Following assessment, these real properties are transferred from the ground rent register to the real estate register. The General Real Estate [Ownership] Administration is to be notified of such action so that it may review and record the case.

3. The committee must prepare a list of properties that had superficies at the time the aforementioned law was promulgated, including a description of the superficies.

4. The General Real Estate Administration of the Egyptian Endowment Authority shall prepare special lists of apparent monopolizers or appropriators of these real estates, including a description of any superficies.

5. The authority shall prepare all data on land where superficies are planned to be set up.

6. Prompt formation of judicial committees is provided for in Article 5 of Law No 43 for 1982.

7. The land registry shall be notified of a stay of transaction in these properties.

8. City councils shall be notified not to issue permits to erect structures on these properties.

The Socialist Prosecutor's Office is located on the seventh floor and part of the eighth floor of the Ministry of Justice. This is the only headquarters it has, although it has another center in Alexandria to manage properties there.

I asked about other activities, and he said:

"The office received a complaint against a big importer of spare auto parts (Rida Ibrahim Muhammad Ghalib) and another person, claiming that the former's wealth had swelled as a result of tax and customs duty evasion in addition to large sums of money obtained from banks.

"It was established that the first defendant's total debts to the Nile, Delta and Misr-American Banks were 4 million pounds and that he owed an equal amount to the customs office. In view of the serious impact this can have on the national economy, an impoundment order was issued on 2 February 1983 against the first defendant.

"We also receive complaints from security agencies against narcotic dealers who have reaped large fortunes in unlawful gains. The office issued an impoundment order against them and brought them to trial before the Values Court to issue a receiving order against their properties, which it did. There are many other cases in this regard."

[Question] There is still some talk about dualism in the socialist prosecutor's role.

[Answer] First, the jurisdictions of the socialist prosecutor were reviewed by the Supreme Council of Judicial Bodies that includes the best legal expertise. It did not see any dualism but rather expanded the jurisdictions. Criminal responsibility is defined in the crimes, and punishments are stipulated in penal and special criminal codes. It is quite different from political responsibility which was legislated to avert political danger and safeguard the security and safety of society. Receiving orders requested by the socialist prosecutor are issued in the interest of the people and are meant to counter conspicuous unlawful gains or damage to the economic interests of socialist society when capital which is in the hands of some turns into a destructive tool against the national economy. Unlawful gains provoke young feelings and undermine social values and traditions. Therefore, the penalty is usually in the form of receivership and confiscation, which is quite different in nature from the criminal codes, and is considered indispensable and necessary.

[Question] What about the future?

[Answer] As long as there is life and living beings, the struggle between right and wrong is inevitable. And as long as there is corruption and a desire on our part to preserve purity and honesty, the Socialist Prosecutor's Office and the values judiciary must meet their responsibilities in combating corruption in pursuit of purity.

12502

CSO: 4504/147

FOREIGN CURRENCY LAW ALLEVIATES EXCHANGE PROBLEM

Cairo AL-JUMHURIYAH in Arabic 2 Jan 84 p 3

Article by Hamid al-Sayih (former minister of economy): "Return to Foreign Currency Law Solves Exchange Rate Problem"

Text The issue of foreign currency laws is one of the issues of the hour. In late 1976, a foreign currency law was promulgated to provide for two basic changes: First, permission to possess foreign currency; and second, permission for citizens who possess foreign currency to circulate it, i.e., deal in it.

The immediate result of this action was increased response by citizens working abroad and others who kept foreign currency accounts outside the country.

Permission to possess and circulate foreign currency served as a green light for these citizens to transfer large amounts of money to Egypt, either to sell part of them to banks or to keep in foreign currency deposits.

This is what actually did happen. Money coming into the country from workers abroad and foreign deposits jumped to the present levels of \$2 billion. The law on possession and circulation of foreign currency was very clear. Possession of large foreign deposits was to be through banks, but this did not preclude individuals from keeping foreign currency so long as they kept it out of circulation. As for the circulation law, it was very clear when currency control regulations issued in November, 1976, stipulated that circulation shall be limited to banks and banks alone.

But following the promulgation of the special foreign currency control law, circulation of foreign currency went beyond the scope of banks which, of course, was illegal. This is what we call the black market and what others call the free or commercial market--an illegal market when it comes right down to it--a market created by the vast difference between the rates of exchange by the Central Bank at 83 piasters to the dollar and the rate at which the dollar can be sold outside the banking community.

This great disparity in rates created a group of brokers who are taking advantage of this opportunity to make a living. This does not mean that we must

do away with possession or circulation law to drive these brokers out of business because such a measure will also do away with a large foreign currency market on which the open-door policy is based and will close a significant source of importation that finances 15 percent of all imports.

If circulation is revoked, the government will have to come up with equal sums from its budget or lower imports by the same percentage (15 percent) whereby we will face more shortages in the market.

Hence, the only remedy is either to have the banking community, which has grown from 4 to 70 banks, handle brokerage activities or regulate brokers by granting them work permits and requiring them to pay taxes.

For the most part, the great majority of these brokers will pull out of the market to look for another profession that provides tax loopholes and the whole process will again be limited to banks alone.

#### Historical Development

Some may think that the existence of four rates of exchange in Egypt is definite proof of some kind of imbalance in our money market. I think it is the result of a historic development of the rare commodity called "foreign currency."

This development began with a rate of 43 piasters to the dollar, a price set by bilateral payment agreements concluded between us and a large number of countries, east European ones in particular, a small number of which are still in effect.

In 1962, as this historical development continued, the Egyptian pound was devalued to 70 piasters to a dollar, a rate still in use at the Central Bank in registering government import transactions that include seven basic commodities.

Following my departure from the ministry, my successor, the minister of national economy, saw a need for devaluing the pound even more by raising the rate of exchange from 70 to 84 piasters in the official market. Since then, the black market has taken a gigantic leap and we have not been able to reclaim the strength of the Egyptian pound.

Therefore, it was natural to have four different rates of exchange simultaneously. As a result, no one recognized any more the official rate, not even the public sector banks that began selling the dollar for 108 to 110 piasters, calling the difference in rates "money handling charges." Note that public sector banks represent the government which handles money for public sector companies and not individuals.

This reflects a basic situation of a very short supply of foreign currency compared to demand. It is an economic transaction that makes foreign currency a mere commodity influenced by the law of supply and demand, and resulting in a frantic rise in prices. This scarcity is not absolute but rather relative.



To put an end to such relative scarcity, we must build up our foreign currency resources through several means and lower consumption.

This is not to say that we must reduce our resources with regard to investment commodities because it can lead to grave consequences affecting employment and higher growth rates in Egypt.

Rather, we must lower the rising rates of commodity imports which is not to say reduce imports. For example, the rate of increase must not be higher than the rate of population growth in Egypt.

We import 65 percent of tax foodstuffs we consume. Consequently, we are subject to economic as well as strategic threats. In other words, should a war break out at our source of supply, the only thing we can do is to have another period of mandatory austerity. So why not institute gradual voluntary austerity to lower the annual increase in imports.

#### The Starting Point

But the process of regulating brokers requires another new law we do not need. Licensing banks to perform this task means dispensing with a new law and applying the foreign currency law of 1976 limiting circulation to banks alone, with the proviso that it must be done on the basis of free market or black market rates.

If our imports are valued at \$7 to \$8 billion a year, 1.5 billion of which is from the money and exchange markets, bank transactions would be in the latter amount.

This is a preliminary step that can lead to other steps, including the overall value of imports. This cannot be achieved unless a true import rationing system is used and until we require enough foreign currency through exchange system reforms which we hope to achieve. But if black market rates included the total amount of imports, subsidies and the budget will be significantly affected, given our present circumstances.

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RELIGIOUS BICKERING SEEN HINDERING INTELLECTUAL THOUGHT

Cairo AL-JUMHURIYAH in Arabic 12 Jan 84 p 3

[Article] by Salah Hafiz: "People Understand...Professors Do Not"

[Text] Would you like to defeat your opponent in any argument?

Would you like to prove that the July Revolution held Egypt back? Or that price fixing is unnecessary? Or that the total sum of the angles of a triangle is not 180 degrees? Or that agriculture is better for our country than industry.

It is much easier than you imagine! Do not read a book on the subject. Do not collect information about it and do not consult experts in the field. And, do not bother collecting facts and proof to support your sound view. Simply say that your opponent is an "infidel" [kafir].

If you hate to revile others and prefer to condemn their views rather than their person, say: "these are the views of infidels."

You would do well in both cases to carry worry beads before TV cameras. Beads, beards and expressions of piety have become a weapon in any argument taking place in Egypt today, even if it dealt with differences between Euclidean geometry and Einstein's theories.

It is an intellectual practice hitherto unknown to Egypt, Egypt who has no hope for the future unless it extricates itself from its claws.

Egypt used to be known for acumen, and Egyptians used to be famous for good perception, education, enlightenment and the ability to tell right from wrong instinctively.

But unfortunately Egypt is about to lose this reputation.

Half of those who turn to writing and lecturing to guide public opinion do not add anything to our knowledge other than that they believe in God and the hereafter--and we believe them--and their only argument against their opponents is that they are infidels.

This means that intellect in Egypt has gone bankrupt and has been pensioned off, and that Egypt has ceased to produce reasonable intelligent people.

First, to charge people with infidelity, it is not enough--in the opinion of reasonable intelligent people--to accuse them of infidelity because their accusers are human beings just like them. They are not prophets, they are not angels sent from heaven, and they are not God's agent on earth sent to sort out humanity before the Almighty does so on the day of final judgment.

Second, it is not enough to prove infidelity in order to prove that someone's words are unsound. "Infidel" Galileo said the earth was round and he was right. "Infidel" Einstein, who formulated the theory of relativity, was proven right. The reasonable person can deny an established fact just because the one who came out with it is an infidel.

Right is right and the truth is the truth, regardless of belief or unbelief. No sound mind can accept the argument that because Pythagoras was an infidel and that religious books confirm that he would burn in hell, it is not true that the square of the hypotenuse of a right triangle is equal to the sum of the square of the other two sides!!

We are Muslims, yes.

But truth is neither Muslim, nor Coptic nor Atheist. Truth is an existing reality; either we know it or we don't. In evaluating this truth, infidelity or faith in research does not change anything.

As far as I know, it is not the Islamic way to say this man is a believer, therefore he is right, or, that man is an infidel, therefore he is wrong.

This does not apply to science alone, but to politics, economics and systems of rule as well. It also applies to trade, industry, consumer cooperatives, cooperation rules, investment laws, customs, housing and land leases.

Choice in all these matters depends on the ability to discern between what is good and what is bad; what is good for the people of this country and what is destructive. It makes no difference whether right originates in Egypt or some other country before it, or whether its advocates are Muslims, non-Muslims or have no religion at all.

We are not discussing here the issue of religion. There is no disagreement over the need to adhere to and preserve religious precepts. Indeed, it is our imperative duty to do so. It is natural in an Islamic country not to permit the forbidden and forbid the permissible, or to accept behavior, or approve legislation or use methods rejected by religion.

The search for truth is a purely intellectual matter in which arguments must have special logical and empirical standards. There are no lawful or unlawful arguments or believing or unbelieving criteria.

In our daily life, we measure length by meters, weights by kilos, time by seconds and electricity by kilowatts. When a buyer and seller disagree, one

says to the other "the scale will decide for us." When we are alarmed by our electric bill, the electricity authority tells the customer "the meter will decide for us." We have never heard a dealer tell a buyer "you don't pray, therefore my scale is right," or the electric authority tells the customer "our bill is right because the one who signed it has made the pilgrimage but you haven't."

This does not happen in our daily life because we instinctively keep religion out of non-religious differences. We can easily differentiate between arguments that must be settled by the Book and the Sunnah and those that must be decided by means of a scale or an electrometer.

But it seems that our illustrious professors are no longer able, as we are, to tell the difference.

When they disagree over economic systems, they don't say "we will let the commodity volume or the performance rates or individual incomes decide," but rather one says "you are an infidel and you hold the views of infidels" and the other replies "I am a better Muslim than you are because I made the pilgrimage before you did." Thus, the scenario turns into a mutual trial of who will go to heaven and who will go to hell while basic economic issues in question fade into obscurity!

Or, when two professors differ over contemporary social behavior in Egypt, they do not duel with figures showing crime rates, the average marriage age, divorce rates, suicides or addiction cases. Rather, each one draws a sword which has written on it [the words] "you are an infidel" and the best of the two is the one who sheds the most blood.

Professors also disagree over politics and systems of rule and we expect them to pelt one another with facts about economic or social conditions or the nature of the forces and interests represented in the system of government. Instead, we are confronted with their throwing other stones similar to those the devil throws at pilgrims: smoldering embers that say "you are an infidel," on the one side, and, on the other, "you are the one who is an infidel."

Then the professors free themselves for another contest in which each one will play the role of the stoner at times and the stoned at other times while the original issue, which was the subject of the whole disagreement, is thrown out of the match.

The result is that all our problems remain unsolved.

The political system best suited to our needs, or the economic system that best fits our needs, the ideal solution for housing and transportation problems and for bread and education, the best form of democracy in our country, the more suitable industrialization plan and the future of youth and women, all of these problems afflicting and tormenting millions 24 hours a day do not advance one single step!

These are the problems we are experienced in. We do come across professors from Sweden, Norway, the United Nations, and even in countries where elephants are a mode of transportation where they succeed in finding solutions to raise the standards of societies that hire their services--who spend no more than one or 2 days, or perhaps a week, on problems they are supposed to deal with, to move on the following week to prove that their opponents are infidels and by the third week the curtain comes down, the subject is closed and we are not any the better for it.

I don't say this out of desperation, but rather out of a hope that our illustrious and expert professors will realize the situation and try to emulate us simple people in differentiating between issues that must be decided by the Book and the Sunnah and those that must depend on the meter, the scale and the electric meter.

I say this because I know that most of those people are cognizant and deep inside realize that truth cannot be repudiated by infidelity or established by faith. No issue can be confirmed or refuted by faith or infidelity.

I say this because God did not bestow knowledge upon the believers alone. The believers can be right and can be wrong just as the unbelievers can also be right or wrong. In matters of knowledge, education, economics and politics, the criteria of truth must be employed in judgment, regardless of what we think of our opponents in the dispute.

If our scholars, experts and professors are serious about serving their country, all they have to do is debate their issues with arguments and criteria they learned in school that are compatible with the nature of these issues and contribute to their understanding, not block them out and push them to the side.

The challenges facing our country and the difficulties disturbing our lives no longer allow us the luxury of going around them or shirking them.

Our illustrious professors had better realize this truth. We truly respect them but we are afraid that will turn away from and lose our confidence in them if they go on turning every debate over our vital issues into a debate over their person and their fate in the hereafter.

We are all going to die one day, gentlemen, and we will find out who was an infidel and who won the grace of God.

But what concerns us now and what we want from you is to agree promptly on whatever it is that will ease our pain and fulfill our land our childrens' dreams on earth.

We do not object to your differing but let it be over issues, not over your persons, over right and wrong and not over your fate in heaven or hell.

We are all very eager to discover the road to salvation. All our hopes are pinned on you and our minds are open to you, ready to receive your arguments

so that we may be better equipped to choose our path. You must not shirk this responsibility and devote your time to condemning one another while we stand alone with issues suspended and our path still unclear.

You have let us down, gentlemen, and you have disappointed our trust in you--and have dashed the hopes we pinned on your knowledge and experience. You are dropping out of our lives by choice without leaving us a forwarding address by which we can correspond with you.

And why should we correspond with you when we are more knowledgeable? At least we know that distances are measured in meters and electricity by an electric meter, and we no longer confuse religious values with pressure guages and budget figures.

But you, you still do not know yet. All your arguments in politics, economics, education, culture and the arts can be summed up in that your opponent is an infidel and you are the believers.

If we were to believe everything that each of you says about the other, we would renounce the whole lot of you without exception.

God help us, you illustrious professors, to save you from this catastrophe that has befallen your minds.

God help us to stand by you and enlighten you so that you may wake up and carry on with the task of standing by us and enlighten us!

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ROUND-TABLE DISCUSSION ON PROMOTION OF AGRICULTURAL PRODUCTS

Tunis LA PRESSE DE TUNISIE in French 17, 18 Jan 84

[Article by Nabil Gacem]

[17 Jan 84 p 2]

[Text] "The very fact that our problems are no longer limited to agricultural production proves that Tunisian agriculture is healthy." With these words, Mohamed Ghedira, president of the National Farmers Union (UNA), opened the debate at the round table organized at UNA headquarters on Thursday, whose theme was the promotion of exports of agricultural products.

In addition to UNA representatives, the round table brought together representatives of the Central Bank, the Chamber of Exporters, the Interprofessional Canned Food Group, the Export Promotion Center (CEPEX) and GIAF [expansion unknown].

Measures To Encourage Exporters

Nejib Ben Miled, general director of CEPEX, emphasized that Tunisian exports revolve around five areas: Oil and its by-products represent 50 percent of all exports. Textiles come in second place with a rate of 17 percent. Phosphate and its derivatives represent 16 percent (1 percent for phosphates and 15 percent for by-products). Agriculture varies depending on the season at between 6 and 8 percent (olive oil, wines, dates, citrus fruits and greenhouse vegetables). The rest are made up of electrical and mechanical equipment.

Speaking of agriculture, Ben Miled emphasized that it constitutes the basis of the national economy and that consequently, exports related to the sector should experience a new boom in quantity and quality.

Exports of agricultural products have experienced a rather steady drop. This is mainly due to the advancement of the standard of living of the Tunisian citizen, whose consumption increases daily, and to the protectionist tendency now characterizing foreign markets.

With respect to citrus fruits, the general director of CEPEX stressed that we exported 17,000 tons last year. This year, exports will total 50,000 tons, including 35,000 to be absorbed by Marseille and 5,000 by North Yemen. An attempt has been made to turn to other countries such as the Federal Republic of Germany and Yugoslavia, among others, but we do not have any precise information on the nature of those markets, although they are fairly close.

Regarding export incentives for 1984, one should first of all mention the bill being studied concerning the establishment of export companies that will receive tax and financial advantages, as well as exchange privileges.

CEPEX is also involved in training exporters perfectly acquainted with foreign markets and in consolidating export financing through export insurance-credit.

In addition, given the growing importance of market and advertising studies, loans will be allocated to exporters to enable them to undertake these necessary "formalities."

Speaking next, Mohamed Ghedira, president of the UNA, began by announcing that a bonus of 40 millimes a kilogram is being granted to citrus fruit exporters who penetrate new markets. He added that while exports have shown a slight delay, it is mainly due to the fact that the harvest itself has been somewhat late.

In addition, even if we manage to export 50,000 tons of citrus fruits, the problem will not thereby be solved and the local market cannot absorb the rest of the crop.

For that reason, credits will be granted to tomato processing plants and other agricultural products so that they may be turned for a time into processing plants for citrus fruits (orange juice and pulp, and so on). This is called "exporting with a deferment" because canned orange juice does not risk spoilage and can be exported throughout the year.

Regarding dates, the international press has reported that we no longer have any place to sell our dates and that we do not know what to do with them. This is not true and the situation is as follows: Date exports are limited in time because in Europe, consumption reaches the highest level in November and December. In January, consumption drops and picks up throughout the year. In two months, we exported 7,000 tons of dates and exporters, encouraged by the credits extended to them, have packed and stored 8,000 tons to be exported throughout the year, another export operation with deferment. Out of a total of 23,000 tons, 15,000 tons have been exported or will be in monthly installments.

It should be pointed out that in order to carry out this operation, exporters have received credits totaling 2.7 million dinars.



## Customer Is King

In his speech, Abdelbaki Bacha, member of the Executive Bureau of the UNA, has stated that the measures taken, albeit very encouraging, should not make us forget that exports must be taken as an essential element of any agricultural, economic and price policy.

"If we want to keep our customers, we must keep a minimum export threshold, in exchange for creating a certain shortage on the local market when any season is not very good. But such is not the case. The Ministry of National Economy sometimes intervenes to halt exports in order to supply the local market. This forces our traditional customers to turn to other suppliers and no longer take us seriously."

Abdelbaki Bacha then spoke of integrated projects set up or to be set up and suggested that a minimum export threshold of 25 percent of annual production be established.

[18 Jan 84 p 2]

[Text] Slaheddine Ben Dai, president of the National Fishing Federation, emphasized that competition is lively on the international market and that all things are fair in trying to penetrate foreign markets.

Ben Dai emphasized difficulties hindering our exports. Those difficulties can be summed up in four points: The import license is easier to obtain than the export license and we sometimes lose customers, especially for our fish, because the procedure is very slow for export licenses. Second, export credits mainly help middlemen and not producers. Third, fish flour is not used in our country as livestock feed. We export it at low prices and import it at high prices once it has been turned into a finished product! Fourth, many customers no longer trust us because there is no quality control on several export products.

## Reducing Expenses

The representative of the Interprofessional Canned Food Group emphasized that production costs are very high in Tunisia and that they must be halted at all levels if we want to be competitive.

Speaking of the processing of citrus fruits into juice, he said that the operation is not 100-percent guaranteed for three reasons: Only five plants can do the operation. Tunisians do not consume much canned juice. Third, foreign markets are flooded with different inexpensive brands of canned juice.

That is why of the 10,000 tons it has accepted, the Group intends to turn only 4,000 tons into orange juice, the rest to be used for pulp.

## Transport

Speaking next, the representative of the Nabeul Regional Farmers Union informed the audience that a citrus processing plant with a capacity of 20,000 tons will soon be set up in Menzel Bouzelfa.

He also suggested that imports be tied to exports. We should not agree to import any product from any country, he said, unless the country in question agrees in turn to buy a product from us.

Two points should draw the attention of officials, he added: "Market studies should be a prime objective." Transport poses problems also. Connections with certain countries are either inadequate or too expensive compared with the price of the product hauled.

#### Threat of the EEC

Houcine Hammami of the Wine Office pointed out that the EEC countries that practically produce the same products as us not only have a protectionist tendency, but also designs on the same markets. In addition, the encouragement they give to their exporters put them in a more competitive position.

"We must start to think immediately about turning our exports and imports toward Third World countries," he said.

#### Establishment of Date Office

Ali Chebbi, member of the Executive Bureau of the UNA, emphasized the fact that there is no office, as in the case of olive oil, to be responsible for buying the entire date harvest, which places producers at the mercy of sometimes excessively greedy middlemen.

Speaking of another matter, he emphasized that it is necessary to turn to other markets, even if we lose in the beginning.

Salah Ben Aissa of the Chamber of Exporters pointed out that everyone goes after the exporters and that it is a flagrant injustice given the efforts they tirelessly make to promote Tunisian products through agents located nearly everywhere in the world.

"For citrus fruits," he said, "the events Tunisia has recently experienced, in addition to the quality of the citrus fruit, too soaked in water, and the size of the crop, which was exceptional, even in Europe, means that it has not been easy for us to export everything quickly. Furthermore, our products are far from competitive, given the prices charged by our competitors.

#### Future

At the close of the debate, Nejib Ben Miled, general director of CEPEX, took the floor again to respond to the speeches and emphasize the following three points: Market studies that were nearly absent here are now done in a regular, precise and detailed manner. European markets have no more future, a fact one can no longer deny. The future of our foreign trade is in the Maghreb, Arab and African countries. Tying imports to exports is a practice that is almost part of our commercial practices. We buy coffee from Indonesia and sell it phosphate products, while we buy fuel from Syria and sell it electrical and mechanical equipment.

PROBLEM OF UNEMPLOYMENT IN SHANTYTOWNS DISCUSSED

Tunis LE TEMPS in French 22 Jan 84 p 3

[Article by S. L.: "Strategy, Difficulties and Prospects"]

[Text] Finding solutions to the problem of unemployment in the shantytowns means remedying a disturbing situation and tackling the root of the evil that is undermining the fabric of urban society and engendering social problems such as crime and delinquency.

Actually, unemployment is one of the basic features of the shantytowns. It emerges as a social phenomenon of crucial importance mainly affecting the young.

In addition, it has turned out that any improvement in the quality of life of the residents of the shantytowns essentially depends upon the possibility of having an adequate income to meet their vital needs.

This means providing work for any job seeker. Inasmuch as wages are low and unemployment widespread, the employment problem has therefore been defined as the main center of interest of the program of socioeconomic advancement in the shantytowns.

Small and Medium-Size Enterprises

Within this framework, an urban development project was launched by the World Bank. One of its many aspects provides for the creation and continuation of work in the shantytowns.

Likewise, a tripartite agreement was concluded between the municipality of Tunis, the Employment Office and the Tunisian Banking Company.

The Office for Occupational Training, Employment and Tunisian Workers Abroad (OTTEFP) (before it was split into two offices) is responsible for the definition of the commercial and industrial needs of the sectors, as well as the selection of small manufacturers, in cooperation with the municipality.

Financial aid will be decided upon by a committee made up of the municipality, the Tunisian Banking Company and OTTEFP.

For the Mellassine area, by way of example, some \$5 billion have been invested to finance the project.

Thanks to the project, a large number of small and medium-size enterprises have emerged.

A new economic thrust in the shantytowns has developed and a large number of unemployed persons absorbed.

The economic activities are no longer limited to small businesses employing one or two persons, such as butchershops and grocery stores, but handicraft and artisan's activities have appeared such as welding and carpentry in truly modern enterprises equipped with a developed infrastructure and providing work for a rather large number of persons.

#### Limitations and Solutions

But this expansion of smaller enterprises is also experiencing difficulties.

Actually, the level of education of the promoters of such enterprises, most of whom are illiterate, has not helped their development.

The artisans cannot obtain loans because of their poor management.

In addition, the enterprises are seriously handicapped by the lack of any technical assistance and aid program for the improvement of premises.

In order to rectify this situation of the enterprises and breathe new life into this ambitious project, technical assistance and financial aid must be reviewed.

Small businessmen must be helped to set up their businesses, expand and develop their activities so that the number of employees may be increased.

In addition, promotion of small businesses must be accompanied by the creation of remunerative activities for women.

Consequently, fighting unemployment in the shantytowns means responding to the growing needs of young people aspiring to employment and a higher standard of living.

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INFLUX OF WORKERS FROM OTHER ARAB COUNTRIES ANALYZED

Riyadh TIJARAT AL-RIYAD in Arabic No 262, Oct-Nov 83 pp 64-67

[Article by Mukhtar Sayyid Ahmad: "Foreign Workers in the Countries of the Arabian Gulf: Iraq's Experience in Orienting Itself Toward the Arabs?!"]

[Excerpts] The beginning of the 1970's saw the rectification of oil prices in 1973, an increase in the revenue of the oil governments, and an expansion of consumer and investment spending in the countries of the Arabian Gulf at rapid rates that exceeded their absorption capacity. All this led to an intensification of the demand for foreign labor, which flowed into the area in large numbers. This influx occurred in accordance with the market mechanism and it was unaccompanied by any change in the policy regarding the reception of these workers or by any planning regarding their numbers and nationalities.

Sources of Financing the Deficit

As we have already mentioned, Iraq could choose among three ways of dealing with the labor shortage that began to appear when implementation of the National Development Plan for 1976-1980 was initiated.

Of course, the first choice was out of the question. How could the course of development be limited in order to close the doors to the country? The second choice was also very dangerous. Experience has shown that opening the doors to foreign workers without regard for their nationalities has been a direct cause of the emergence of the phenomenon of population duality in the nations of the region. This has happened in some Gulf countries. In some countries, the number of foreign workers has exceeded the number of local inhabitants. This phenomenon of population duality produces serious political threats that have to do with the Arab character of these countries. This is because succeeding generations of immigrants will gradually turn into settlers organized into colonies. These colonies might produce political movements tied to their places of origin.

These political dangers, which arise from the kind of foreign labor coming to the Gulf countries, might produce great harm that would affect the matter of national sovereignty itself and subject the Arab character of the Gulf to dilution, weakness and collapse. This would produce numerous political complexities and probabilities.

In addition to these political dangers, economic dangers exist. Dependence and reliance on foreign labor have a negative effect on the qualitative, technical, and vocational level of national labor. Moreover, a pattern of consumption that usually contradicts the structure of national production becomes widespread. All this inflicts the worst kind of harm on the country's productive projects.

Nor can we forget the very strong social influences, such as the spreading of new modes of life and styles of living and the multiplication of contradictory types of social behavior, which leads to a state of dilution and collapse. Then there is the multiplicity of languages in which people communicate with each other. In addition, the native inhabitants feel as if they were in exile. This feeling is very dangerous, for it may cause the sense of national affiliation to weaken. In addition, there are the difficulties inherent in social, psychological, and cultural adaptation. They cause social deviations to arise that these societies have not known before. Such deviations are foreign to the nature of the social formation of these societies.

#### Turning to the Arabs

Since the dangers associated with foreign workers coming to the region had been determined, Iraq had to turn to Arab workers in order to deal with the labor shortage. This was a position based on principle. Essentially, it arose from the pan-Arab principles which guide Iraq. It was not merely a result of the dangers posed by the foreign workers. This is made clear by Labor Law 151, of 1970, which was enacted before Iraq had a need for non-Iraqi labor. This law states that, "Arab workers working or desiring to work in the Iraqi Republic have all the rights granted the workers in this law. All the state ministries and all the various labor sectors, meaning the public, cooperative, and private sectors, must respect and implement this fact. Workers are considered to be Arabs for the purposes of this law if they are citizens of one of the Arab regions, or if they possess documentation of such citizenship from the ministry."

As Iraq began to feel the need for labor, the Revolutionary Command Council issued decision number 384 in 1977. This decision allowed Arab citizens to be appointed to state offices if they met the same conditions required from Iraqis by the rules of service. The decision also stated that they were to be treated like Iraqis with respect to laws and obligations. That decision followed others, all of which strengthened the rights of Arab workers and gave them numerous privileges. Some of these privileges went beyond what Iraqi workers themselves enjoyed, in terms of transportation fees and housing allocations.

The date 6 October 1976 is considered memorable, for on that day the experiment at the village of al-Khalisah began. The village was settled by the families of Egyptian peasants.

Although Arab workers come to Iraq from countries other than Egypt, with some coming from as far away as the Sudan and Morocco, the relationship between Iraq and Egypt is considered unique. Therefore, we shall dedicate a special paragraph to it in this study.

## Limitations on Foreign Labor

In view of the existence of projects with definite, technical specifications and the inability of the executive agencies or the local and Arab workers to meet the required, technical needs of these projects, Iraq was forced to seek help from foreign companies in order to complete these projects.

The entry of these companies has necessitated strict legislation to control the movement of foreign workers. Some of these laws are:

The private sector is absolutely forbidden to use foreign workers, unless it is absolutely necessary and the agreement of certain agencies is obtained before the workers are brought in.

Foreign workers are to be used by foreign companies only, not by government institutions, the socialist sector, and economic institutions. Exceptions are made only in cases of great need, after the agreement of higher authorities has been obtained.

Foreign companies and workers whom they bring in are subject to laws and regulations that eliminate their freedom of movement outside the framework within which they entered the country.

Foreign companies are given complete freedom to use local workers, be they Iraqi or Arab. The foreign companies have obeyed the laws in force and--in many cases--employed local laborers.

### The Transferring of Egyptian Labor to Iraq:

At the end of 1977 and the beginning of 1978, Egyptian workers began to pour into Iraq in a manner without precedent in the transfer of Arab labor among the countries of the Arab nation, not just with respect to Iraq itself. Thus, the phenomenon of the transfer of Egyptian labor to Iraq arose. Perhaps this can be clarified by the figures stated by Professor Amin 'Izz-al-Din in his book "The Egyptian Workers Coming to the Iraqi Region: A Study from the Point of View of the Country of Origin." According to these figures, the population census of 1977 showed that a total of 7,400 Egyptian workers had come to Iraq. This figure rose to 600,000 in 1980 and reached 1.5 million in 1982. In this way, the Egyptian workers who went to Iraq filled the needs of the country's basic sectors, agriculture and construction, since these workers accounted for 63.3 percent of the total workforce in those sectors.

Factors of both attraction and repulsion lay behind the emergence of the phenomenon of the transfer of Egyptian workers to Iraq. These factors can be summoned up in the pan-Arabist vision that is dominant in Iraq. This vision lay behind the decision to turn toward the Arabs in order to deal with the fact that the country lacked the laborers required by the development plans. This position was embodied in Iraqi legislation and the decisions taken by the Revolutionary Command Council in the field of employment policy, some of which we have mentioned above.



Among the factors of attraction and repulsion that are behind this phenomenon is the political vision formulated following the Baghdad summit conference, which followed Camp David. The vision distinguished between the al-Sadat regime, which it boycotted, and the Egyptian-Arab people, especially those Egyptians working in the Arab countries. These countries focused their resolutions on continuing to work with the Egyptians and on showing consideration for their feelings.

There are also economic factors. We have already mentioned the attractive side of the economic factors, which consisted of abundant work opportunities, high wage rates, and the economic incentives contained in the labor laws and the decisions of the Revolutionary Command Council.

Now we turn to the factors of repulsion. The phenomenon of the population explosion is not considered a sufficient and acceptable scientific explanation for the way in which Egyptian labor has been transferred since 1977. As Professor 'Abd-al-Mun'im al-Ghazali said in his book "The Migration of Egyptian Labor to Iraq and the Political Dimension," without ignoring the phenomenon of the population explosion, we must still look for other factors which caused this phenomenon to arise. They can be summed up as follows:

Since the 1967 war, the Egyptian economy has experienced a sharp contraction. It was produced by the cutback in commercial and investment expenditures by the government sector. Most government spending was channeled into the war effort. This caused a decline in the number of new employment opportunities available to the work force. This fact interacted with the change in economic policy after the 1973 war and the adoption of the open-door economic policy. All this caused the emergence of a large labor surplus and an increase in the unemployment rate.

The economic transformation referred to in the preceding paragraph, the fall in the rates of growth of the Egyptian economy, the appearance of parasitic activity, the freeing of prices, and all the developments which marked the 1970's drove the workers to find new opportunities beyond Egypt.

The ruling regime in Egypt encouraged the flow of labor out of the country for two basic reasons. It wished to correct the balance of payments by means of monetary transfers in the form of hard currency from workers employed outside Egypt. In addition, it wanted to rectify the imbalance existing in the Egyptian economy between the magnitude of the available work force and the amount of labor absorbed by the economy.

#### Results:

Iraq's position on foreign workers, who were to be treated with complete freedom by means of following an open-door policy with regard to them, had various economic, pan-Arab, political, and military results. The features of these results can be brought out in the following points:

Iraq has been able to continue the process of development and economic growth, despite the new circumstances created by the Iran-Iraq war, since it has been able to mobilize its human resources with complete freedom. Iraq was helped



in this by the large numbers of Egyptian workers who took the place of Iraqi labor wherever that was necessary. Moreover, quite a few of these workers have taken up arms and fought in the war alongside the Iraqis.

The foreign workers lessened the inflationary pressures which dominated the Iraqi economy as investment and current spending expanded greatly. This expansion was accompanied by an increased demand for labor and, therefore, by an increasing wage level.

Contact with Egyptian technical workers who came to Iraq to work in the various manufacturing and service sectors made the local workers more experienced.

The dispersion by sector and geography of the Egyptian workers has given proof of the unity of the Arab people and the freedom with which they move among the Arab regions. The Egyptian workers have also caused the failure of policies which aimed to detach Egypt from the Arab nation and isolate it from interaction with the Arab nation.

12224

CSO: 4404/292

## COURSE OF THE LEVINSON AFFAIR DESCRIBED

Tel Aviv HA'ARETZ in Hebrew 31 Jan 84 p 11

[Article by El'azar Levin: "The Heir and the Inheritance; Giyora Gazit's Appointment as Chairman of Board of Directors of Bank Hapo'alim Instead of Ya'aqov Levinson Was Turning Point Leading Later to Controversy and Struggle Ending in 'Levinson Affair'"]

[Text] In January 1981, Ya'aqov Levinson vacated his position as chairman of the administration of Bank Hapo'alim and became the head of the Ampel Company in New York. He was replaced by Giyora Gazit, former accountant-general of the Finance Ministry. One may trace the seeds of the controversy between those two to that moment, leading to what is known as the "Levinson Affair."

Gazit did not rise through the ranks of the bank. Many people in the management and on the board of directors could not accept the fact that a person from the outside came to run the second largest bank in the country. For a long time Gazit felt like an outsider, a government employee who came from the civil service without clear credentials in knowing how to run a bank. The fact is that Levinson, who picked his successor, gave him at first full support. He solemnly promised Gazit he would not interfere in the running of the bank and would not spend any time there. Levinson kept his promise. Gazit had freedom of action. In many private conversations Levinson praised Gazit and call him "super manager." From time to time Levinson would show up at the bank and talk to some senior official or other, but did not go any further. He stuck to his word and concentrated on running Ampel. He spent most of his time in New York, where he had rented an apartment.

A year later a fundamental change took place. In May-June 1982 a controversy started between Gazit and Levinson in connection with the managing of the Ampel affairs (67 percent of the stock is owned by Bank Hapo'alim). The controversy focused on two points: First, Levinson wanted to transfer more funds from Bank Hapo'alim to Ampel, while Gazit felt that the transfer at the requested rate would hurt the bank. Second, Levinson presented a detailed plan for transferring the control of Ampel from the bank to American investors owning Stock A. He explained his plan

on the fact that the Banking Law passed by the Knesset obligated the banks, particularly, Bank Hapo'alim, to give up the ownership of non-banking companies. Ampel is an investment, rather than a banking company. Levinson stressed that by increasing the importance of Ampel and changing the ownership, the A stock could be registered in the New York stock market and thus augment the raising of funds in the U. S. for expanding the activities of the company which finances investments in Israel.

Gazit listened but was not convinced. He thought he could compromise on registering of the stock in the stock market, but not on transferring the ownership. Levinson would not give in and by the end of 1982 called a special general meeting of Ampel, which was about to convert all the A stock into regular stock which they were controlling. If the decision had been made, Bank Hapo'alim and the German Trade Associations Bank would have become the minority in the regular stock and would have lost control of Ampel. The two banks could have continued to keep control by buying large amounts of regular stock, by spending many millions of dollars. Gazit refused to do it. Instead, he alerted the inspector of banks at the Bank of Israel, who vetoed the meeting. The reason for the veto was that the meeting would have approved the transfer of control of a subsidiary of an Israeli bank (which owns investment banks) without the permission of the Bank of Israel.

#### Arguments about Failures

Levinson had to give in, perhaps for the first time since he became the general manager of Bank Hapo'alim. His attitude toward Gazit quickly changed. He called him a "failure" and by maneuvering through the bank's board of directors he brought up against him a list of financial failures. For instance, Levinson accused Gazit of letting go a deal for purchasing 1100 buses for Egged from the German Mercedes company. For years Bank Hapo'alim had financed Egged's import operations, but in late 1982 Bank Le'umi made Egged an attractive offer in terms of financing conditions. The two banks started a fierce competition, and for a year now Bank Le'umi has been financing the import of the buses (with Bank Hasapanut as a 10 percent partner), a deal totaling \$50 million. The victory of Bank Le'umi in a large deal with a body which belongs to the labor sector was a serious blow to the morale of Bank Hapo'alim. Levinson blamed Gazit for it.

At the same time, for a year now, Gazit started to get what has been described as "a growing flow of reports and documents of things which should not have been done related to Levinson." Levinson argued that Gazit instigated the collecting of the material in order to use it in his war against the head of Ampel.

In March 1983 Efrayim Reiner, the chairman of the board of directors of Bank Hapo'alim called a meeting of the board in 72 hours. The agenda included a proposal to transfer some of the management of the bank from Gazit to a leading trio consisting of Gazit, Levinson and Reiner.

According to Gazit, the meeting was called in order to depose him, so that he would stop receiving material about Levinson's activities. According to Levinson and his people, it was necessary to change the management of the bank because of Gazit's failure. Levinson's supporters had a majority on the board. It was clear to all that Gazit would not agree to such a restriction of his authority and would prefer to resign. Therefore the meeting was called in the lingo of Bank Hapo'alim a "deposing meeting."

Shortly before the meeting, Gazit called into his office four of the senior members of the board: MK Naftali Blumenthal (chairman of Koor and former chairman of Bank Hapo'alim for one year), Amos Eran (general manager of Mivtahim), Etan Avnion (general manager of Hasne), and Gid'on Ofir (of the employees' association) and presented before them the material he had gathered. What did he say? There are two versions. According to Levinson, Gazit used threats. He said, "You will see what I will do if I am forced to resign." According to Gazit, he argued that he was in the midst of looking into very serious matters related to Levinson, and the deposing meeting was designed to stop the disturbing examination. In either case, it is clear that the disclosure of the documents changed the situation, and the meeting, which was most brief, did not raise the issue of limiting the authority of the general manager.

Afterwards, Gazit turned to the secretary of the employees' association, Dani Rosolio, and suggested that two members of the bank's management check the material. Levinson objected. He said: Do you mean that I, who was the chairman and the general manager, would allow two employees to investigate me?" It was finally decided that two members of the board of directors look into the matter. 'Amiram Sivan, a friend of Levinson, was included as one of the two. The committee was appointed with Levinson's approval. Everyone seemed to walk on eggshells in order not to upset Levinson. The committee was also appointed in order to ascertain Levinson's argument that he was being falsely accused. Gazit at first appeared more accused than accusing. But the abundance of material he put before the committee turned the tide in his favor.

#### Parallel System

The Rottman-Sivan committee, and the internal staff of the bank, went on to study the various subjects, and an unsettling picture emerged. It was discovered that a parallel system had been formed in the U. S. to reach decisions without the knowledge of the management in Tel Aviv. There were only two Israelis on the board of directors of Ampel, Levinson and Bergstein, who ran the company, and perhaps more than the company, as their private business. They did not report various transactions to Tel Aviv and seemed to forget who their bosses were. "Most serious matters came to light," the chairman of the bank stated.

In light of the disclosure, Gazit demanded that Levinson and Bergstein resign. The two complied, the first in September and the second in August. Breaking with tradition, Bank Hapo'alim did not announce Bergstein's resignation and refrained from the usual praise reserved for such occasions. The announcement of Levinson's resignation was extremely brief.

Gazit tried to put the fire under control without publicity. Thus, for example, he agreed to employ Levinson as a "special consultant" at Ampel for a few more months, to sweeten the pill. Levinson to this day is receiving office services from the Israeli section of Ampel. Instead of firing, it was agreed that the two resign. The bank estimated that because of the activities of the two, the bank suffered losses of about \$500,000, a trifle compared to the 1982 profits which reached \$140 million. After consulting its lawyers, the management decided that if the two returned the funds on their own, no criminal charges would be brought against them. It was not feasible, and so the matter became public knowledge.

In the meantime a fundamental change took place at Bank Hapo'alim. The bank's control over its overseas branches and over Ampel was tightened. 'Uzi Vardi-Zer was appointed director of international activities instead of Bergstein. Only three or four persons who can be termed Levinson supporters remained on the board of directors. Efrayim Reiner, who is known to be a strong supporter of Levinson, voted for transferring the material to the legal advisor of the government and to the inspector of banks. New work regulations were established in order to tighten public control, represented by the board, of bank activities. Ampel these days continues to raise millions of dollars for investment.

Levinson's and Bergstein's reactions to this affair are not available. Bergstein has announced that "he is interested in talking to reporters," while Levinson, who was once interviewed in HA'ARETZ in regard to Ampel, told me a few days ago that "he is not interested at this point in reacting and answering questions."

9565

CSO: 4423/35A

SHIVTA SITE CONSIDERED FOR NUCLEAR PLANT

TA210838 Jerusalem THE JERUSALEM POST in English 21 Feb 84 p 3

[Report by David Rudge]

[Text] Haifa--The Electric Corporation is exploring the feasibility of siting the country's first nuclear-power station at Shivta in the heart of the Hegev, even though there is no immediate prospect of purchasing a nuclear core.

The Shivta site, which is many kilometres from the nearest habitation, was chosen as the most suitable of several proposed locations.

Research by the corporation's nuclear-power division has been carried out for the past four years. Next week engineers and scientists are to drill trial boreholes at the site.

The Electric Corporation spokesman said this latest work, which will cost about \$200,000, is to check the geological and hydrological nature of the land as well as to determine the strength of the rock strata.

It will take several months before the work is completed and the results analysed.

The proposed nuclear-power station is part of the corporation's development programme to meet the country's electricity needs in the next century.

At the moment, however, there seems little chance of buying a nuclear-power plant from countries already using atomic energy because of the government's refusal to sign the Nuclear Non-Proliferation Treaty, which involves regular inspection of nuclear facilities by international inspectors.

The possibility of Israel building its own nuclear reactor has been virtually ruled out because of the cost.

The corporation spokesman said it hopes that by the time the preparatory work is completed, the problems preventing Israel from purchasing a nuclear-power plant would have been resolved.

"It takes several years to carry out the essential research work prior to establishing a nuclear power station and we do not want to find ourselves in a position where we can purchase a nuclear reactor and then not have anywhere suitable to put it," he said.

CSO: 4400/165

ISRAEL

BLACK HEBREWS HAVE DIFFICULTIES RETURNING TO U.S.

TA211254 Jerusalem Domestic Service in English 1100 GMT 21 Feb 84

[Excerpts] The Black Hebrews of the Negev town of Dimona have been in a kind of bureaucratic limbo since arriving here from the United States as tourists 15 years ago declaring that they were the true descendants of the ancient people of Israel. But they are not citizens, and after 15 years no longer tourists. Some 87 of them gave up U.S. citizenship when they arrived and, now, some of them who recently left the group and want to return to the United States are discovering they have nowhere to go. Li'ora Muriel has the story.

[Begin Muriel recording] Melvin Colman is 32 years old. For 12 years, as Shamur Ben-Yisra'el, he was one of the right-hand men of Ben-'Ami Carter, the undisputed leader of the Black Hebrews in Dimona. Eight months ago, he left Carter, the group, and Dimona, and wants to go back home to Chicago. He has set up an association with other exmembers of the group to try and help others leave.

Colman and others like him who gave up their U.S. citizenship while still in the group cannot return to the United States, nor does he want to stay.

Yehoshu'a Kahana, deputy director of the Interior Ministry, pointed out to me that while in certain cases his ministry expels people from Israel there is always a country to expel them to. In this case, the United States, he says, does not want to accept Colman. The U.S. Embassy here has made it quite clear that Melvin Colman, having voluntarily given up his U.S. citizenship, is no longer a U.S. citizen and is considered an alien by the U.S. Government.

I have learned that several of the group who were expelled previously are now back in Dimona, a fact which makes it difficult for others to leave legally. Mayor Eli Hileli of Dimona told me that he does not know how many Black Hebrews there are in his town, there may be 800 and there may be 2,000, he said. Why? Because they carry out their own marriage ceremonies, births, and burials. They are guests of the state at Dimona's expense, he said. He wants some other place to adopt them for the next 15 years. [end recording]

CSO: 4400/165

ISRAEL

BRIEFS

PURCHASING LOCAL GOODS--Government agencies will have to use locally-made products, according to a decision last night by the Ministerial Economic Committee. From now on government bodies on state and local levels both will need special permission to buy foreign goods worth more than \$50,000. Customs will not release imported goods for the agencies without a special permit. Figures have shown the new order will apply to goods worth hundreds of millions of dollars. [Text] [TA200626 Jerusalem Domestic Service in English 0500 GMT 20 Feb 84]

CSO: 4400/165



## KUWAIT

### CENTRAL BANK GOVERNOR DISCUSSES BANK'S ROLE IN FINANCIAL, ECONOMIC ACTIVITIES

Kuwait AL-SIYASAH in Arabic 28 Nov 83 p 8

[Interview with 'Abd-al-Wahhab al-Tammar, governor of Central Bank of Kuwait: "We Aspire To Revitalize Local Bond Issues for Kuwaiti Firms and Establishments"; date and place not given]

[Text] 'Abd-al-Wahhab al-Tammar, the governor of the Central Bank of Kuwait, has said that developing the Kuwaiti dinar bond issue market will help develop the local money market and expand its base, adding that the bank aspires to revitalize the local bond issues for Kuwaiti firms and establishments with the aim of channeling the money generated toward productive local investment. Al-Tammar has lauded the role of the Kuwaiti banks and financial establishments, saying that they have made extensive progress in the level and methods of performance and have contributed and continue to contribute to developing the country's economy and to expanding its financial ties with the outside world.

Speaking of the coordination existing between the Gulf central banks, the governor of the Central Bank of Kuwait said that this coordination has intensified in the wake of the founding of the Gulf Cooperation Council and announced that the governors of these banks may meet at the beginning of next year to study cooperation and coordination among them. The governor stated this in an interview with the KUWAIT NEWS AGENCY. Following is the text of the interview:

[Question] What are the future plans to develop the activities of the Central Bank of Kuwait, and are there training plans and plans to attract new capabilities to the bank?

[Answer] The work plans of any financial establishment must be tied to the activity of the establishment and are intended to achieve the establishment's set goals. The goals of the Central Bank of Kuwait are defined by article 15 of the bank law. These goals are summed up in issuing and managing the Kuwaiti currency, directing bank credit policy in a manner that helps achieve economic and social progress and increase the national income, watching over the banking system in Kuwait, acting as the government bank and giving advice to the government.

Consequently, the Central Bank of Kuwait has always geared the course of developing its activity toward achieving a more efficient performance so that the bank may be able to obtain the goals entrusted to it in the best manner possible. This requires constant bolstering of the bank's operational outfits and providing these outfits with the proper means to entrench their experience in the central banking activities, as well as bolstering the Central Bank staff with new young elements coming into the labor market and caring for and training these elements according to well-prepared training programs that help them enhance their work capabilities and prepare them to work and shoulder the responsibilities of jobs they hold in the Central Bank.

[Question] What are the issues that get a larger degree of your attention at the Central Bank?

[Answer] All the activities of the Central Bank, as a central financial establishment, require constant attention and care. If there are priorities to which attention is devoted, then these priorities lie in entrenching the Central Bank's role and enhancing the effectiveness of this role in serving the Kuwaiti economy and in developing the systems and means so that the Central Bank may always be in a position that enables it to participate with its opinion in all the concerns and interests of economic activity and in whatever developments crop up in this activity. These priorities also lie in strengthening the relationship [with economic activities] by implementing the state's economic policy so that all parts of the economic administration may work in a coordinated and integrated way that will undoubtedly help achieve the objectives of the state's economic policy.

[Question] Have you, as governor of the Central Bank, been given new powers in light of the recent developments?

[Answer] The existing powers defined in the Central Bank's law and regulations open a broad horizon for the Central Bank in managing the country's economy.

I beseech the almighty God to give the Central Bank workers success in achieving the duties entrusted to the bank.

[Question] What is the relationship between the Ministry of Finance and the Central Bank in the sphere of implementing the economic policy's objectives?

[Answer] The Central Bank's work is tied to and complements the work of the Ministry of Finance in the sphere of implementing the objectives of the state's economic policy. It is well known that the financial policy, supervised by the Ministry of Finance, and the currency policy, supervised by the Central Bank, must be coordinated, and the ministry and the bank must cooperate to achieve the economic policy's objectives calling for the development and enhancement of the national economy.

[Question] What is the relationship between the Central Bank of Kuwait and the local investment and money-changing firms?

[Answer] The Central Bank law and the rules and regulations issued by the bank and the decrees issued by the minister of finance in this regard demonstrate the rules and the principles governing the Central Bank's relationship with the local investment and money-changing firms. This relationship is founded on the premise that the nature of the activity of the local investment and money-changing firms is closely connected with the volume of credit and liquidity in the Kuwaiti economy and with the movement of capital between Kuwait and the outside world. This is why the Central Bank supervises and follows up on the activity of these firms with the aim of channeling the credit policy toward serving Kuwait's economic progress and toward rationalizing and developing the state's entire financial sector.

[Question] What is your opinion of the standard of performance of the local banks, and are the banks performing their desired role in serving the national economy?

[Answer] The fact is that the Kuwaiti banks and the other Kuwaiti financial establishments have achieved extensive progress in their standards and methods of performance over the past 30 years. They have contributed and they continue to contribute with their activity to developing the local economy and to expanding and strengthening their financial ties with the outside world. By virtue of the fact that life is in constant motion and that we must always aspire for the better, our ever-present goal is to continue enhancing the state's banking and financial agencies so that they may always be able to contribute to the economic development process and to respond to the ever-renewed needs of the economy. This requires us to prepare for the future with plans and programs intended to enhance the role of the banking and financial sector in serving the society and the lasting and stable development of the Kuwaiti economy.

[Question] Have the local banks reduced the personal loan transactions?

[Answer] For some time now, the Central Bank has been careful to regulate and rationalize the bank credit policy. The Central Bank objective behind this is to encourage, in cooperation with the local banks, loans for productive economic activities and to reduce the loans which have no specific objectives and purposes and which may be used in activities that are not beneficial to the national economy. This regulation and rationalization of the bank credit policy seeks altogether to reduce the chances of the drain of savings in uses incompatible with society's needs.

[Question] What are the ramifications of the rise in the [price of the] U.S. dollar and the drop in the [price of] gold to the national economy?

[Answer] Fluctuation in the foreign currency exchange rates has become the rule now. This requires the agencies concerned with managing their national currencies to take into consideration the impact of the fluctuations in the exchange rates of the major world currencies on the purchasing power of

their national currency. In managing the Kuwaiti currency, the Central Bank of Kuwait has sought to achieve the maximum degree of harmony between the internal requirements and the current fluctuations in the foreign currency exchange rates in order to preserve the strength and stability of the Kuwaiti dinar by virtue of the general benefit of this strength and stability.

[Question] What is the position of the Kuwaiti dinar bond market, and do the conditions permit [the marketing of] new bond issues at present?

[Answer] Bonds are considered among the main instruments of transaction in the money markets. The more numerous and varied are the instruments of transaction in the money markets, the greater is the motive for the money market to grow and enhance its efficiency. Therefore, developing the Kuwaiti dinar bond market will help develop the Kuwaiti money market and expand this market's base, considering that the Kuwaiti money market still relies almost totally on stocks. This causes this market to be captive to the circumstances governing stock circulation activity. The Central Bank, along with the financial agencies concerned with the bond issuance operations, has developed a system for issuing Kuwaiti dinar bonds that takes into consideration the local liquidity conditions and the developments occurring in these conditions from time to time. So far, the majority of bonds issued in the Kuwaiti dinar in the Kuwaiti money market has been for the benefit of foreign borrowers. Therefore, what we aspire to do is to revitalize the local bond issues in the interest of Kuwaiti firms and establishments so as to make it possible to channel the money generated by such issues toward productive local investment. This helps to bolster the local production base.

[Question] What is the degree of coordination existing between the Gulf central banks?

[Answer] Cooperation and coordination on issues of common interest to the Gulf central banks and financial establishments started some time ago. There were periodic meetings between the governors of these banks and establishments. Now that the Gulf Cooperation Council has been founded, there is a need to increase this coordination and cooperation between the Gulf central banks because this helps to entrench and bolster the means of cooperation between the Gulf Cooperation Council member states in the economic and financial spheres. The Gulf central banks are in constant touch with each other and their officials meet at various levels to discuss and study issues of common interest. The next meeting between the governors of the Gulf central banks is expected to take place next January.

[Question] What are the steps taken in regard to issuing a unified Gulf currency?

[Answer] The discussion on issuing a unified Gulf currency started among a number of Arab Gulf states several years ago and this discussion ended at the time with a draft agreement on issuing and managing this currency. It was then decided to postpone implementation for the sake of further study.

With the foundation of the Gulf Cooperation Council and the start of the process of economic coordination and integration among the Council member states, the issue of the unified Gulf currency has become a subject of discussion again.

[Question] Is there a plan to issue an Arab credit card similar to the American Express or the Diners Club cards?

[Answer] Traveler's checks and credit cards are fundamentally consumer service instruments and they have become widespread with the growth of the travel movement and with the growing individual awareness regarding the use of credit instead of cash. After numerous and scattered efforts at the Arab level, the efforts of a large number of Arab banking and financial establishments have resulted in the foundation of the Arab Financial Services Establishment in Abu Dhabi, and this company has taken long strides in preparing for the issuance of the uniform Arab traveler's checks and credit cards.

[Question] There is a current call for diverting the [Arab] investments toward the developing countries instead of the advanced countries. What is your opinion of this call?

[Answer] The talk of diverting the direction of the investments to the developing countries is two-sided: The first side concerns supplying the developing countries with a part of the capital they need to boost their national development programs. Here, the motive is undoubtedly humanitarian and the objective is cooperation to enhance the living standards in the developing countries. This is an international duty, and we find that the Arab contribution to this duty over the past 10 years has been prominent and honorable, considering that the Arab aid to the developing countries has exceeded the anticipated aid from both the East and the West, and has exceeded it according to all criteria.

The other side in channeling investments pertain to commercial investments. This type of investment proceeds in the direction of the opportunities suitable to it and is governed completely by investment criteria and considerations. The developing countries can attract more such investments if they provide them with the right climate.

8494

CSO: 4404/281

DEVELOPMENT FUND'S LOANS, ACTIVITIES REVIEWED

Al-Shariqah AL-KHALIJ in Arabic 29 Dec 83 p 7

[Article: "Kuwait's Experiment in Foreign Aid; Cautious and Effective Loan Policies with Pan-Arab Dimension"]

[Text] Faysal al-Khalid, the general director of the Kuwaiti Fund for Arab Economic Development, has urged local and Arab establishments to participate in and contribute to implementing the Fund's development projects in the developing countries. In an interview with KUNA [KUWAITI NEWS AGENCY], al-Khalid noted that his recent visit to Hungary and Yugoslavia came in response to an invitation from the two countries' officials to explore the possibilities and spheres of cooperation between the two countries and the Fund and to familiarize themselves with the Fund's technical and material capabilities.

Project Executors Are Foreigners But....

Al-Khalid added that foreign firms, especially U.S. and Japanese firms, undertake many of the Fund's projects because of their experience in this sphere and due to the lack of such capabilities and expertise in the developing countries. He said that some Hungarian firms have already participated in a number of the Fund's projects and that this is why "we always seek to have East European firms participate in the Fund's projects so as to have a balance between East and West in compliance with Kuwait's policy in this regard."

He noted that an agreement was reached at the (Hakoni) meeting of international economic figures in Tokyo, calling on the lending countries to increase the volume of aid and of the money flowing into the poor and borrowing countries because the major lending countries have recently reduced their aid and have tied such aid to political or economic conditions. He added that the volume of the aid advanced by the major powers to the poor countries is less than what it should be, with this aid amounting to less than 0.35 percent of the big countries' national income, whereas the Arab funds advance 4 percent of their national incomes, with the aid advanced by some Arab funds amounting to 10 percent of their national incomes.

Al-Khalid also noted that a number of firms from the developing countries have taken part in the projects financed by the Fund, including Chinese, Indian and Korean firms. However, their participation has not reached major proportions and these countries must increase their effective participation in the projects of the Arab funds. This is why we have contacted the Indian officials and urged them to increase their participation, as we have urged the Chinese to increase their participation because they have the capabilities and can compete with the industrial countries. Their technical capability is good and their prices are nearly 30 percent lower than those of the firms of the [advanced] industrial countries.

#### Lending and Repayment Mechanism

Al-Khalid further said that the Arab funds have reached a certain stage of coordination among themselves and that they exchange information and produce joint data and engage in joint activities. Moreover, all the funds welcome, urge and encourage the Arab establishments to take part in the Arab funds' projects. He noted that the party that makes the decision to award the bid is the project owner or the borrower who is eager to get good service and high quality and added that the Fund is not the final decision maker and director. The Fund is eager to adopt certain methods in inviting bids and acquiring services and purchases, but it then leaves it up to the borrower to observe and abide by these methods. If the Fund discovers that the borrower has not abided by the methods agreed upon and that the method and policy agreed upon by the Fund and the borrower have been breached, it then intervenes and reassesses [the situation involved]. If it is found that there is conflict with our methods and if we are not convinced of the borrower's viewpoint, we stop financing the project involved.

Al-Khalid further added that the Fund follows up on the projects it finances by way of a consultant and an observer at the project and by way of the reports supplied by the party implementing the project. Upon receiving the reports, the Fund decides whether there is a need to visit the project. The followup is also carried out by way of disbursements to the project and by making sure that no loan is disbursed all at once but rather is paid in installments and over a period of time, depending on the volume of the work executed. If there is a delay in drawing the loan installments, then this means that there will be a delay in carrying out the work or that the borrower is paying the bills from his intrinsic resources. This provides the Fund with the indicator that the project is facing difficulties. So we immediately contact the borrower and ask him about the causes of the delay. This is how the followup process takes place. He said that most of the projects to which the Fund advances financing are financed in participation with other financiers who have their own followup on the projects, in addition to our followup. Information is also exchanged between the Fund and the other financiers.

#### Pioneer Policies and Spheres

Al-Khalid also pointed out that the Fund's law stipulates that its participation shall not exceed 50 percent of the total cost or foreign currency cost



of any project, whichever is less, except in special cases approved by the Board of Directors. The exceptions call for fully financing any project that meets numerous criteria, including the volume of the project. There is more than one way to finance a project, depending on the nature of such a project. He said that there are countries that present a list of projects to a single financing establishment and that this approach leads to delaying the financing and implementation of a project. This is why the countries that have projects should present their projects to more than one financing circle in order that the projects may be implemented as quickly as possible.

He noted that the developing countries have ambitious plans and projects but that these projects require these countries to develop their manpower. This is why the Fund advances technical aid and helps develop the intrinsic capabilities of the borrowing country. In the agreements it concludes, the Fund includes provisions to finance the training operations. Al-Khalid also said that there is no need to set up training centers controlled by the [Arab] funds because there are other circles that perform this service such as the Arab Planning Center which cooperates with the Fund. The Fund also contributes to numerous other local and international establishments. The Fund contributes extensively and plays an effective role in all of the UN organizations.

He added that the Kuwaiti Fund is the first development establishment to enter China, financing four projects which have been implemented in the best manner possible. Both China and Kuwait have benefited from these projects, considering that Kuwait is a small country that has extended a helping hand to a big country like China with all its population and that has implemented such projects in China. Thus, Kuwait is a forerunner in implementing projects and the first country to implement projects in China through the Fund.

#### Development and Pan-Arab Dimension

Al-Khalid noted that by its nature and law, the Fund is a development financing fund that offers soft terms and charges very low interest rates for long-term loans compatible with the nature of the projects financed. He also said that the Fund finances industrial and agricultural projects and infrastructure projects such as road, port and airport projects which help develop the exports of the country concerned.

He added that a stipulation included in all of the Fund's agreements is the stipulation that every borrower observe the principle of boycotting Israel and South Africa. Any establishment dealing with these two countries cannot obtain a loan from the Fund. This is one of the Fund's unconditional stipulations. He added that if a country deals with Israel while the Fund is financing any of its projects, then the Fund applies whatever Kuwait's supreme policy decides, as in the case of Zaire when the state decided to stop dealings with it. The Fund has abided by the decision, as it has abided by the Cooperation Council's decision to suspend dealings with Liberia. The Fund has frozen its operations in these two countries and is not considering any new projects there, except for existing projects that are being implemented.



As for projects being financed by the Fund in politically unstable countries, al-Khalid said that the Fund is reassured insofar as its operations are concerned because when the regime changes in any of these countries, the new regime abides by and meets the country's international commitments and because the Fund's activities do not consist of a single operation but of several operations and continuing projects.

#### Investment Decision-making Centers

Al-Khalid pointed out that there is coordination between the Kuwaiti investment firms, since the Ministry of Finance is the main shareholder in these firms. Moreover, the Central Bank of Kuwait has the power of veto over the decisions of the boards of directors of these firms. In the structure of the Fund's Board of Directors, we find that the minister of finance is also the chairman of the Fund's Board of Directors. Therefore, the Ministry of Finance is the coordinator between the Kuwaiti financial establishments. Al-Khalid added that the Fund is required to consider the local needs, to advance local loans and to set up projects inside Kuwait. However, the Fund was founded to help Third World countries, and all its operations are outside Kuwait because there are other establishments that perform these operations inside Kuwait.

Al-Khalid noted further that Kuwait was a forerunner in creating the Kuwaiti Fund and that the Fund's creation coincided with Kuwait's political independence because of the firm belief of the country's policy makers that international cooperation is the soundest path and the best investment that is not tarnished by any [selfish] ends. Al-Khalid also said that the Kuwaiti Fund is careful not to allow the circumstances to influence its operations in the developing countries because these operations fall within the framework of the observance of principles. To show how the [Fund's] affairs are managed in Kuwait, al-Khalid noted that there are internal controls that enable the Fund to continue its activities without harming its own interests.

#### Caution Is Chief Rule

Al-Khalid added that the Fund did not exhaust all its capital when this capital reached 2 billion Kuwaiti dinars. The Fund is also careful not to undertake commitments beyond its available resources. The Fund's commitments are within the limits of its possible and available resources. This has enabled the Fund to plan and program its activities within the limits that make it possible for it to continue its work without exposing itself to harm and without facing circumstances that prevent it from continuing its activities. He said that the Fund's capital payments were reduced from 75 million dinars to 30 million dinars in 1981, but its activities were not affected, the Fund was able to maintain the level of its operations in the past few years and it is now in a comfortable position that enables it to continue its activities.

Al-Khalid pointed out that the volume of the loans advanced by the Fund to all countries from January 1963 to 30 November 1983 was as follows:

A total of 46 non-Arab countries obtained loans amounting to 589 million Kuwaiti dinars, of which 260 millions have been drawn and 14 millions have been repaid.

A total of 11 Arab countries obtained 610 million Kuwaiti dinars, of which 404 millions have been drawn and 122 millions repaid.

The total number of benefiting countries is 62, the total number of their projects is 254, the amount of the loans advanced is 1.2 billion Kuwaiti dinars, the amount of the loans drawn is 675 million dinars and the amount of the loans repaid is 126 [presumably meaning 136] million dinars.

8494

CSO: 4404/282

AGRICULTURAL POLICY, PROJECTS DESCRIBED

Doha DIYARUNA WA AL-'ALAM in Arabic Dec 83 pp 12-15

[Article by Muhammad al-Khamis: "Agriculture in Qatar: The Abundant Potential for Growth in the Agricultural Sector in Qatar"]

[Text] No one disagrees about the economic and social value realized by human beings when they invest their money in the land. This is something that has been achieved by concrete phenomena in both ancient and modern times. Circumstances have shown that being tied and connected to the land is the prime mainstay of self-sufficiency and disassociation from international haggling. This is the way in which food security can be achieved. Food security is now a prime concern of all the advanced and developing countries alike. In its simplest sense, food security means that we provide the food we need from our own land, without anyone fighting us for it. In addition to this, our investments in agriculture provide us with many advantages besides food security. They decrease the magnitude of our agricultural food imports, thereby improving our trade balance and our balance of payments. In addition, they contribute effectively to the gross domestic product. This improves both national income and individual income. In addition, the sources of national income are diversified. Following the oil crisis, everyone is paying attention to national income now.

We will deal with these matters in some detail, using figures and taking the agricultural sector in the State of Qatar as a practical example.

The State of Qatar does not differ from the other countries in the Gulf Cooperation council (GCC) in terms of climate, soil, subterranean sources of water, the abundant potential for agriculture and the large amount of support given by the state to this sector. However, there is a lack of investment by the private sector in agriculture, despite the importance of this sector in our daily lives.

The country's rainfall differs from one year to the next. This is something natural. In 1980, about 50.8 millimeters of rain fell, while the quantity of rainfall in 1981 amounted to about 23.8 millimeters. In 1982, according to statistics issued by Doha International Airport, rainfall amounted to about 167.3 millimeters. Although the agricultural sector depends to a large extent

on subterranean water, the rate of rainfall can be very beneficial, since it increases the reserve ratio of the subterranean water. Moreover, it provides another great benefit in the form of the pastures, which depend on the rate of rainfall.

The area of the State of Qatar is 11,427,050 dunams. Out of this area, only 330,000 dunams are fit for agriculture. This amounts to approximately 3 percent of the country's area. Only 10 percent of this arable land is being exploited. This means that about 90 percent of the arable land is not being used. It could be used for agriculture, if the means were made available. The area actually farmed fluctuates slightly around the aforementioned figure of 10 percent. The area being farmed in 1979 was about 297,903 dunams. In 1980, it really amounted to 298,092 dunams. In 1981, it amounted to 296,520 dunams, while in 1982, it was 296,088 dunams. [All figures as published] Schedule number 1 shows us the quantity of agricultural production in the form of plant produce, including grain, various types of vegetables, and other plant crops such as white beets, fruit, dates, and green fodder.

Table 1

Quantity of Plant Production, 1979/1982  
Unit: Ton

<u>Crop/Year</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
grain	530	640	735	1,368
vegetables	20,655	17,868	18,291	17,851
other plant crops-				
white beets	36	48	36	28
fruit and dates	3,819	3,942	6,860	9,534
green fodder	26,950	36,400	38,680	42,003

Source: Annual Statistical Bulletin, July 1983

The amount of grain produced has risen continuously. In 1979, it amounted to 530 tons, while the figure in 1982 was 1,368 tons. This means that output rose by 260 percent in 3 years. At the same time, vegetable production fell to 17,851 tons in 1982, after having reached 20,655 tons in 1979. As for fruit and dates, production of these goods also rose, climbing from 3,819 tons in 1979 to 9,534 tons in 1982. This means that production rose 2.5 times. The same can be said of green fodder. Production of this crop rose from about 26,950 tons in 1979 to about 42,003 tons in 1982. That is, it just about doubled. The quantities produced increased, while the area of land under cultivation underwent no such change. This means that modern methods came to be used in agriculture. Thus, output increased as a result of vertical exploitation of agricultural land, not horizontal exploitation.

With respect to meat and fish production, as one of the important indicators for the agricultural sector, the available statistics indicate that an increase in output has occurred. In 1979, the amount of meat produced was 817 tons. By 1982, this figure rose to 1,515 tons. That is, the amount of meat produced just about doubled in 3 years. However, the production of fish fell in 1982,

when output was equal to 2,315 tons. In 1979, approximately 2,690 tons of fish were produced. The decrease was due to measures taken with regard to the proper time and place for fishing. The aim of these measures was to preserve the country's animal resources.

As for the production of chickens of various kinds, from chickens raised for their meat to egg-laying chickens and joint-use chickens, about 634,564 chickens were produced in 1979, while by 1982 the figure rose to 925,583 chickens. This means that production rose by about 50 percent. Moreover, egg production rose from 307 tons in 1979 to 313 tons in 1982. The production of milk and milk products rose from 1,210 tons in 1979 to 6,208 tons in 1982.

However, the constantly rising indicators we have noted do not apply to the number of livestock. That is, they do not apply to the number of herds that make up our animal resources. The available statistics indicate that the number of herds had fallen for all categories by 1982, in comparison with 1979.

The agricultural sector makes a modest contribution to the gross domestic product. In 1982, its contribution amounted to 0.7 percent. The value of agricultural output amounted to 190 million riyals. In 1981, the sector's contribution to the gross domestic product (GDP) amounted to about 0.5 percent of the total, while the value of agricultural output was 172 million riyals. In 1980, the value of agricultural production amounted to the sum of 150 million riyals. Although the sector makes but a modest contribution in terms of value and percentage of GDP, we can still note that it has risen strongly in the last 3 years, when we measure this growth year-by-year. With respect to 1980, production in 1981 rose by 15 percent, while in 1982 it rose 12 percent.

This record figure for agricultural production gives us a certain indication of the extent of growth in this sector and its degree of importance. This is also made clear in the table below. It must be noted that the base year is 1980. We find the following progress:

<u>Type/Year</u>	<u>Percentage in 1981</u>	<u>Percentage in 1982</u>
grain	115	214
vegetables	102	100
fruit and dates	174	203
fodder	106	115
meat	88	108
poultry meat	111	132
fish	129	131
eggs	115	113
milk and milk products	159	177
general record figure	122	132

Source: The Annual Statistical Bulletin, July 1983. Its basic source is the Ministry of Industry and Agriculture.

These record figures were prepared after taking the relative weights of the commodities appearing in the table above. It can also be seen from the table that the general record figure rose to 132 in 1982, in comparison with 1980. This is a good rate of growth. It equals 10 percent for 1981 to 1982 and 22 percent for 1980 to 1981.

Agricultural production has helped to curb surging inflation and rising prices. We notice from the record figures for consumer prices in the city of Doha during the year 1982 that heavy dependence on locally produced agricultural crops helped to a large degree to lower the prices of these commodities. We find that the record figure for grain and grain products was 102.4 percent in 1982. Similarly, the record figure for meat and eggs was 101.7 percent. That for milk and milk products was 102.3 percent, while the figure for legumes was 104.9 percent. With respect to all the types of produce mentioned above, we note that production rose in 1982. At the same time, we note that the production of other types of produce fell, and we can see that this had the opposite effect on the price level, as a natural result of supply and demand. The record price figure for fish reached 112.2, meaning that an increase of 12.2 percent took place. The same thing happened to vegetables. Vegetable output in 1982 fell, and the record figure for consumer prices of vegetables reached 109.4 percent. Therefore, record figures for consumer prices in this case are considered an indication of the quantity of domestic production. If local production increases, this will cause prices to fall. Consequently, the record figure for consumer prices will fall as well.

Naturally, the demand for agricultural products is increasing constantly. This is due to the increasing population of the country. It is also due to the improvement in real individual income, which increases the demand for agricultural goods. Indeed, the increase in the population and the improvement in individual income have exceeded the supply of locally produced agricultural goods. Therefore, we are forced to import them from abroad. These imports consume both the national income and individual income, causing both to flow abroad. They are exchanged for mere consumer goods. This has an adverse effect on the balance of payments and the trade balance, especially since we do not export agricultural goods. The rate of exchange with respect to agricultural goods is always negative and against us. We can offer examples of this. In 1982, the total imports of the State of Qatar were valued at 7,087,505,000 Qatari riyals. This sum is equal to about 25 percent of the gross national product (GNP). Agricultural imports were worth about 462,172,000 riyals. This sum equals about 7 percent of total imports. Agricultural imports include live animals, meat, milk products, fish, grain, vegetables, and fruit.

There is no doubt that the agricultural sector has enormous potential. If it were all brought together, it would produce amazing results in a short period and achieve for us that to which we aspire. Here are some possibilities:

1. State support. By means of the Ministry of Industry and Agriculture, the state provides material and moral support for the agricultural sector. The material support includes funding from the general budget. In the year

1402/1403, this amounted to the sum of 72,989,000 Qatari riyals. In the year 1401/1402, it amounted to the sum of 68,631,000 Qatari riyals. In the year 1400/1401, it amounted to the sum of 40,728,000 Qatari riyals, while in the year 1399/1400, it amounted to the sum of 42,947,000 riyals. In the year 1398/1399, the support was 53,540,000 riyals. This was all support from the general budget. For its part, the Ministry of Industry and Agriculture exerts great efforts to support the agricultural sector and encourage farmers. It provides seeds and equipment for plowing and land reclamation, in addition to fertilizer and everything having to do with free agricultural counseling. Thus, we see that the state provides everything possible in order to advance this sector.

2. Support by the commercial banks. In 1982, by means of exceptional facilitations for the agricultural sector, the banks provided the sector with the sum of 13.8 million riyals. In 1981, they provided the sum of 100,000 riyals, while in 1980, they provided 300,000 riyals. In 1979, they provided the sum of 4.4 million riyals, while in 1978, they provided 5.4 million riyals. In 1977, they provided the sum of 2.2 million riyals. When we compare what the commercial banks have contributed to the agricultural sector, we find that it is a modest sum, in comparison with the support given by the banks to the trade sector, the contracting sector, and the building and construction sector. Here we would like to point out that the banks are not giving as much as they should to the agricultural sector. This may be due to the fact that the beneficiaries and borrowers in the agricultural sector are fewer than those from other sectors. Consequently, future improvement in the agricultural sector can depend on the commercial banks, as other sectors do, and benefit from the services of the commercial banks.

3. Private sector support, in its various forms. This includes the banks and the direction of investment toward the agricultural sector. The private sector is still not investing in the agricultural sector, although capital and state support are available, as well as unused, arable expanses of land and abundant subterranean water. It would be very useful for all efforts to develop the agricultural sector to be coordinated before it is too late, because we need this sector now more than ever before.

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# GULF HELICOPTER COMPANY CONSIDERS 1984 BUDGET

Doha AL-RAYAH in Arabic 14 Nov 83 p 2

[Article by 'Izzat 'Abd-al-Mun'im: "The Board of Directors of Gulf Helicopter Is Discussing the Proposed Budget for 1984 and the 5-Year Plan"]

[Text] The board of directors of the Gulf Helicopter Company held a meeting yesterday under the direction of Mr 'Abdallah al-'Atiyah, the chairman of the board. During the meeting, the company's proposed budget for 1984, its proposed 5-year plan, and studies relating to the development of both were discussed.

In a press conference held yesterday, Mr 'Abdallah al-'Atiyah stated that the board had reviewed the outlines of the proposed budget during its meeting and that it had decided to hold a meeting of the board of directors on 5 January in Doha in order to discuss the final draft of the proposed budget and approve it.

He added that a discussion also had been conducted of the general outlines of the company's 5-year plan. Studies related to the development and expansion of the plan were discussed as well. These studies will examine various circumstances and changes. In this regard, a special commission will be formed to draw up concepts and studies dealing with the plan.

Moreover, a project to provide housing for the company's employees was discussed. Its cost is about 20 million riyals and it includes the construction of about 40 complete villas. Work on the villas, which began 2 months ago, is expected to be completed in November 1984.

In response to a question concerning what the company has achieved since it was founded, Mr 'Abdallah al-'Atiyah said that it has realized profits amounting to 2 million riyals. Moreover, it has achieved important progress. He said, "When the company was founded, it owned two helicopters and rented another. We have bought six advanced helicopters that are totally owned by the company. They meet the real needs of the company for the present."

With regard to the company's plans for the future, he said that the nature of the company's work has to do with transporting workers and special equipment as part of the operations of corporations and projects. Any plan for expansion must consider the extent to which the operations of these projects are expanding.



He added that a number of long-term contracts have been signed, including a 3-year contract with the Qatari petroleum corporation for the transportation of passengers, workers, equipment, and all the materials required for work. "In addition," he said, "we are looking forward to shifting our activity to other countries besides those that founded the company."

Concerning the number of technical workers in the company and its role in this area, he said, "We are ready to undertake a joint project with the Ministry of Education in order to graduate qualified, trained personnel."

In response to a question concerning the 5-year plan and its indicators, he said that the plan will take a variety of indicators into account for the long term, as they will be generated by various circumstances. "We are taking into consideration the possibility that the market will revive," he said, "especially as the northern gas project is implemented." With regard to likely expansion of the company's airport, Mr 'Abdallah al-'Atiyah said that the company possesses its own airport, which can accept increased traffic for decades to come.

Concerning the cost of transportation, he said, "The cost of transportation with these aircraft is rising by 10 to 15 percent yearly." Concerning the importance of the helicopter transportation program, he said that the program is both modern and vital, since it provides a service in the fastest possible time. He said it would be possible for the project to assist in any rescue operation or any other kind of operation, if such assistance were required.

He added that all the aircraft owned by the company are completely insured.

Mr al-'Atiyah was asked why the company's activity will expand beyond the framework of the countries that own it. He replied that he hopes the plan drawn up by the company will expand to include activity in the other countries of the Gulf. However, first one must know the volume of work available in the other Gulf countries.

He added that now, following the signing of the economic treaty by the countries of the Gulf Cooperation Council, the council members that do not participate in the company--Saudi Arabia and Kuwait--have the right to join, because the company is owned by the Gulf countries. Moreover, the company has the right to expand its operations.

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PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

AGRICULTURE MINISTER DISCUSSES POLICIES, PROBLEMS

Aden 14 UKTUBAR in Arabic 14 Dec 83 p 3

[Interview with Muhammad Sulayman Nasir, minister of agriculture and agrarian reform, by 'Umar Ba Wazir: "Developing the Agricultural Sector Necessitates a Comprehensive Program, the Implementation of Which Requires a Great Deal of Time and Money"; date and place of interview not specified]

[Text] Solving the supply problems of the agricultural sector is something which is basically linked to finding overall solutions for the problems of agriculture generally.

The high cost of electricity does not encourage the peasant farmers to utilize electricity on a large scale.

High production costs are responsible for the fact that the production plans are not being fulfilled.

The speech given by the secretary general last week in Say'un to the directors of the state farms and cooperatives in the governorates of Hadramawt and Shabwah was a source of satisfaction to a great many of our citizens because the speech provided definite directives for the development of the agricultural sector "in order that 1984 be the year of the development of agriculture and of the state farms, cooperatives, leasing stations, and workshops." In addition to this, the speech diagnosed some of the negative features which our agricultural sector has been suffering from and provided some guidelines for overcoming the agricultural crisis.

Because of the importance of these issues which have been brought up, we held an interview with Comrade Muhammad Sulayman Nasir, candidate for membership in the Central Committee and minister of agriculture and agrarian reform, in order to find out what proposals his ministry has for implementing this objective. We wanted to know

what steps of implementation existed and why the decisions were not being implemented. We wanted to know how the plans were being coordinated, how they were being formulated, and why they were not being implemented. In addition to this, we also wanted to know what subsidies the Ministry of Agriculture was in favor of providing for agricultural production. The interview went as follows:

#### 1984 Is the Year to Develop Agriculture

[Question] In his speech to the directors of the state farms and cooperatives, the secretary general stated that 1984 will be the year of development of agriculture. What kind of development is this to be, and what are your proposals for accomplishing this?

[Answer] We have taken note of the directives provided by the secretary general concerning the necessity of developing agriculture at the state farms, cooperatives, and leasing stations beginning in 1984. This directive reflects the interest of the party leadership as well as the higher government officials in the issue concerning our peasant farmer producers and it reflects their concern about the issue of our nation's consumers.

There are programs in the 1984-85 development plan which are proceeding in this direction. We in the agricultural sector feel that the party leadership as well as the higher government officials understand the difficulties which the agricultural sector is facing, and we feel that this will be one of the factors which will aid the development of our agricultural sector. In our opinion, the actual accomplishment of this will necessitate a comprehensive program, the implementation of which will require a great deal of time and money. For example, there are agricultural areas where so many fruits and vegetables are produced that their production might be in excess of their consumption during certain seasons. However, areas such as these do have other difficulties such as unsatisfactory roads and storage facilities as well as a lack of expert guidance and orientation from some of the appropriate technical agencies and bodies.

Last July, for example, the General Vegetables and Fruits Organization was suffering from an oversupply in the production of onions, tomatoes, carrots, and peaches. The result of this oversupply was that the organization stopped accepting deliveries of onions from the peasant farmers at that time--especially white onions. The reason given was that these onions could not be held in storage and that the organization did not have sufficient storage facilities and transporting vehicles to take the onions from the Makiras area to Aden.

But last September there was a shortage of onions in the market.

[Question] Why was this?

[Answer] We feel that this is related to the question of what policy is followed. Our view is that, even though the peasant farmers might overfulfill the plan, in view of our nation's difficult circumstances all of the crop production should be delivered. This should be the policy in order to encourage the peasant farmers to continue their work and continue to produce. The General Vegetables and Fruits Organization should have sufficient storage capacity, means of transportation, and cash liquidity in order to buy what the peasant farmers produce. There are serious difficulties in this regard. Unless many more of the appropriate agencies come to understand that solving these problems will require their help and will require the drawing up of programs and plans for implementing the work to be done in this regard during a given time-frame, we will continue to have these problems.

I believe that these remarks of mine have served as a good background for us to go back to your question and answer it.

During a series of meetings which the secretary general held with the directors of the state farms and the cooperatives as well as with a number of specialists in economics, it was made clear that solving the supply problems of the agricultural sector is something which is basically linked to finding overall solutions for the difficulties and problems of agriculture generally.

We submitted some proposals to the secretary general after they were thoroughly studied by a number of specialists. We feel that these proposals will actually help to bring about the necessary development in agriculture, and the secretary general made reference to this in his speech in Say'un. The proposals were as follows:

1. Solving production problems in the state farms. This should be done by providing the necessary allocations as well as providing specialized personnel in the various economic and technical fields.
2. Modification of some of the prices of fruits and vegetables in order to favor the producers. This would involve, for example, okra, bananas, leafy vegetables, and tomatoes during a given season. If this were done, it would provide the producers with profit margins which would help them to settle and establish themselves as farmers.
3. Stabilization of the prices of agricultural factors of production (fertilizers, seed, pesticides, and rent paid for machinery) for a minimum of 5 years.
4. Improvement of wages. The wages should be in line with the cost of living in the rural areas in order to assure that the workers settle and establish themselves at the state farms and leasing stations.

5. Expansion of the storage capacity of the General Vegetables and Fruits Organization as well as the storage capacity at the production sites, in order that congestion and bottlenecks be prevented.

6. Provision of credit to the General Vegetables and Fruits Organization in order to enable the organization to directly pay the agricultural producers for the value of the crops which they produce.

7. Provision of loans and credit to the cooperatives and peasant farmers generally.

8. Improvement of the road networks in the areas at higher elevations in order to guarantee that the goods produced reach the consumers in the shape that they are supposed to be in.

9. Provision of competent personnel versed in economics to the state farms and cooperatives.

If these actions, in addition to many others, are undertaken, this will certainly contribute toward achieving overall agricultural development. Right now we are engaged in the task of discussing these issues with our comrades in the Political Bureau and the Council of Ministers.

#### Responsibility for Implementation of the Decisions and Plans

[Question] One of the most important problems which you face in the sector of agriculture is the problem of implementing decisions and following up on the implementation of plans. Who has the responsibility for seeing that this is done?

[Answer] The question of implementation of the decisions is a very important matter, and it is of general concern to the agencies working in the sectors of our national economy and is of particular concern to those in the sector of agriculture. The sector of agriculture has come up with two plans, and they are the following:

First there is the investment plan. This is the plan which is contributing toward the building of irrigation installations, the digging of wells, accomplishing land reclamation, making studies of the major wadis and their tributaries, etc.

This plan is being implemented, in accordance with its programs, by the agencies of the Ministry of Agriculture and the local government bodies in the governorates, and the whole project is being evaluated on a quarterly basis by the Ministry of Agriculture as well as annually by the Ministry of Planning and the Council of Ministers. My opinion is that the rates [of utilization of allocations] in this realm have been good ones, and this can be shown by the following

statistics: The total allocation provided to the ministry within the framework of the investment plan has been 85 percent implemented, and the same rate of implementation has been achieved with regard to irrigation, the digging of wells, and the other projects.

[Question] Excuse me, sir. The investment plan includes the project for agricultural development of the Hadramawt Valley. The Valley Electric Power Plant has been in operation for a year or even longer, but so far not even a single pump has been installed. Why is this?

[Answer] The electric pumps which we imported are ones which have technical specifications which were specified in coordination with the General Electricity Authority and the technicians in the [Hadramawt] Valley. They are the same pumps which we are utilizing in the governorates of Lahij and Abyan. These pumps arrived a year ago, and they still have not been installed. The reason for this is that the transformers which the General Electricity Authority has are too small. This is something which induced them to think about replacing the transformers which they have. We are still waiting for this to happen. Furthermore, there is another factor which has induced the peasant farmers to refrain from utilizing electricity. It is the fact that the electricity rates are high. Also, the state farms which were and still are utilizing electricity are insisting to us that current costs are costs which are not appropriate. It was hoped that electricity would decrease production costs. According to the comparative tables which have been submitted to us, the cost of diesel fuel has been less than the cost of electricity. This is something which has not encouraged the peasant farmers to utilize electricity on a large scale, and this will remain true unless we revise the current rates.

Let us now return to your original question. The production plan, with all of its statistics, is also part of the nation's general plan. However, the Ministry of Agriculture and the appropriate agencies in it distribute the allocations in accordance with the capacity of the governorates, cooperatives, and state farms. This means that the plan is one which is prepared centrally as part of the overall 5-year plan. Implementation of the plan is something which is followed up on by the ministry's Office of Planning. The quotas set for the state farms and cooperatives in the governorates are not being 100 percent fulfilled. The justifications for this which are being provided by the governorates state that the reason lies with the difficulties which they encounter due to high production costs. This includes things such as wages, the low prices of the goods produced, and the migration of the labor force from the rural areas to the towns. We could also say that some of the objective reasons lie with the peasant farmers in the cooperatives and state farms. There is also, to a certain degree, a lack of efficiency in the economic administration. In addition to all this, there are circumstances relating to natural phenomena such as

the climate, lack of rain, too much rain, and destruction caused by bad weather. As you know, in 1982 there were floods which caused catastrophes. Furthermore, the agricultural season in 1983 has been one of the worst that we have had during the last 10 years.

In the areas of Lahij and Abyan, where people depend on floodwaters to grow their cotton, only 8,200 feddans of land could be irrigated, whereas the plan called for irrigating 25,000 feddans.

#### The Subsidies Required for Agriculture

[Question] The government provides a total of 30 million dinars worth of subsidies for some goods. In your opinion, what types of subsidies could be provided to agriculture?

[Answer] We believe that the subsidizing of foodstuffs by the government is something which is favored by our masses of people in order to stabilize prices for the major foodstuff items. We in the sector of agriculture are of the opinion that high production costs in some of the world's developing nations are inducing these nations to directly subsidize foodstuffs which are produced locally. We in the sector of agriculture are receiving some subsidies, particularly in the form of seed for potatoes. We feel that the question of subsidizing domestic production is an important and major question, and the authorities should be concerned with it. We should realize, for example, that the subsidy in the case of powdered milk amounts to at least 8 million dinars.

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## PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

### SOVIETS PLAY ROLE IN ADEN CITY PLANNING

Aden 14 UKTUBAR in Arabic 14 Dec 83 p 3

[Article: "Soviet Experts in the Construction Sector Are Providing Aid to Yemen and Are Implementing a Number of Vital Projects"]

[Text] Our Soviet friends are helping us draw up the structural planning for the cities of Greater Aden and Sabr.

Yemeni-Soviet cooperation is involved in many and numerous fields in all of the realms of our nation's economic life. Soviet experts, with their consulting and their experience and expertise, are participating in all fields. Our Soviet friends have participated in the implementation of many projects in order that our national economy be built up and developed and in order that new construction be accomplished for the benefit and prosperity of the Yemeni people. One of the fields in which Yemeni-Soviet cooperation is involved is that of the construction sector. In what way is this true, and what contributions are our Soviet friends making in this regard?

We addressed this question to Dr Yevgeniy Bondarenko, head of the Soviet group assigned to the Ministry of Installations. He had the following to say: "Yemeni-Soviet cooperation in the field of construction and installations began on 3 July 1975 when an agreement was signed between the Soviet organization Tekhnostroy Eksport and the Ministry of Communications. The agreement then included the provision of construction machinery, vehicles, and equipment, and the assignment of Soviet experts to the General Industrial Construction and Installations Organization which was the nucleus of the public construction sector in the PDRY, and this was done in accordance with the cooperation agreement between the PDRY and the Soviet Union which was ratified in June of 1975.

"It was on the basis of this agreement that Soviet experts have made their contribution toward consolidating the PDRY's construction sector. After the establishment of the Ministry of Installations in 1978 and the expansion of its activities, Yemeni-Soviet



cooperation increased in response to the requirements of the local construction firms and the various branches of the ministry. As a result of this, the number of Soviet experts involved increased from 20 in 1976 to 45 by 1981.

"From the very beginning, the Soviet experts have concentrated their aid in the areas of organizing the structure of construction firms, providing aid in building up the public construction sector for the purpose of consolidating and developing the production base, organizing the steps of implementing work associated with construction and the building of installations--such as the making of studies, the drawing up of designs, and the maintenance of equipment--the building of roads, the drawing up of general maps of cities, the setting of production rates, etc. Soviet experts have also helped in the training of Yemeni engineers and workers."

At this point we interrupted the head of the Soviet group and asked him to tell us something about the various aspects of this cooperation. He said: "Technical cooperation in the field of construction and installations is going on in three areas, and they are the following:

"1. Drawing up structural plans for cities, drawing up designs for public buildings, and providing geological and engineering research studies.

"In this regard, the team of Soviet architects and designers in the Engineering Office at the Ministry of Installations has prepared, in final form, the structural plan for the city of Greater Aden till the year 2010. This was accomplished after becoming thoroughly familiar with the city and after detailed discussions were held with the parties and organizations concerned. The plan was then ratified, and it calls for Greater Aden absorbing a population of 800,000 persons by the year 2010.

"In addition to this, another plan has been prepared for the city of Sabr in the governorate of Lahij, and this city will be absorbing a population of 30,000 persons. This plan can be utilized as a master plan when drawing up structural designs for other cities after gaining practical experience with the methods of computation, the documents, and the application of the methods and [work production] rates involved when drawing up the structural designs and plans.

"In this regard, designs have been drawn up for the following public buildings--the Tax Administration Building, the Ministry of Planning Building, a model club building, a health resort building in the town of (Tabalah) in the governorate of Hadramawt, and a building for a health center in the governorates, in response to a request made by the International Red Cross.

"During the 8 years of technical cooperation we have implemented approximately 40 basic projects in the area of structural planning for projects and we have done the designing for more than 30 public buildings. In addition to this, we have made aerial photos of more than 3,000 hectares of land to be used for various installations.

"Likewise, technical documents which cost approximately 8 million dinars to produce were prepared for work involving the construction and building of installations during the years 1982 and 1983. Furthermore, modifications in the drawing up of the designs were undertaken in order to take into account the effects of earthquakes.

"2. Technical cooperation in the realm of construction, the setting up of public projects, and the building up of the production base of the construction sector. Soviet experts are providing technical aid in connection with a number of huge projects which are being undertaken in the PDRY. They include the thermoelectric station project in al-Hiswah, the construction of which is costing 25 million dinars, and the project involving the construction of the building of the Central Committee of the Yemeni Socialist Party, which is being given as a gift from the Soviet Union and the socialist nations. [Work on the latter project] will be completed during this year. Also, the Central Workshop for Yemeni-Soviet Projects in Dar Sa'd has already been completed and the workshop is ready for operation. The cost of this project was 2.8 million dinars. In addition to this, there is the project involving the consolidation and expansion of the Aden International Airport which was opened up last October. This project cost a total of 4.8 million dinars. Furthermore, we are involved in the construction of the Martyrs' Memorial, the first phase of the construction of the fishing port in Aden, and the first phase of the construction of the Maternity and Children's Hospital in al-Shaykh 'Uthman.

"As for the realm of developing the production base of the construction sector, this is a field which the Soviet experts have devoted particular attention to. Construction of the stone-cutting plant in al-Mukalla has been finished, the building of the maintenance shop, a milling shop, and warehouses in the town of 'Ataq in the governorate of Shabwah has been completed, and the building of the maintenance workshop, another electricians' workshop, and warehouses in the town of al-Ghayzah in the governorate of al-Mahrah has been completed. All of this has been done in order to reinforce the role played by the local construction firms in those governorates.

"3. Cooperation in the field of planning and the utilization of roads and public installations. In this area, Soviet experts have undertaken studies of all of the bridges in the governorate of Aden and have submitted their assessment of the condition of these bridges as well as their ability to handle loads, and this assessment

was accompanied by their recommendations concerning reinforcing three of these bridges. In addition to this, other studies have been submitted along with proposals for renovation of the roads which will be used for the transporting of heavy freight going from the port to the thermoelectric station. In connection with this, the Soviet experts prepared technical designs and programs for the work to be done on the Khawr Maksar-al-Mansurah road. In addition to this, Soviet experts right now are participating in the rebuilding of the canals which were destroyed by floods in Wadi (Dufirus) and they are participating in the work being done on the Aden-Abyan road.

"Soviet experts are providing their aid in accordance with the joint Yemeni-Soviet [aid] program."

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URBAN PLANNING, DEVELOPMENT UNDERWAY

Aden 14 UKTUBAR in Arabic 12 Dec 83 p 1

[Article by Fatin Muhammad: "Planning for New Cities in the Governorates, and Beginning the Implementation of the New City of Fuwwah"]

[Text] By the year 2010 the total population of the capital city of Aden is expected to total about 800,000. This represents an increase of 450,000 over its current population.

Statistics compiled by the City Planning Office indicate that the average annual increase in the population is about 31 persons per 1,000.

In a statement made by a responsible source in the City Planning Office it was learned that the process of planning for the capital city of Greater Aden has already been completed. Right now the process of implementation is proceeding in accordance with this planning and all of the relevant projects are now being undertaken. These include both the housing development projects which are being implemented and those which have already been completed.

The source added that planning is currently under way for the capital cities of the governorates and new cities which will be built in the governorates. They include the city of Sabr, which is expected to be large enough for a population of 30,000, and another new city in the Fuwwah area of the governorate of Hadramawt which will be located 11 kilometers from the city of al-Mukalla and will be large enough for a population of 180,000. Initial detailed planning for the city has already been completed and the planning documents have been turned over to the governorate of Hadramawt in order that implementation of the planning begin.

Furthermore, the preparation of topographic maps for various major cities in the PDRY is currently being undertaken, and it is on the basis of these maps that the preparation of the final [mapping of the] governorates will be undertaken.

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

NGPF CHARTER PROVISIONS DISCUSSED

Cairo AL-WAHDAH in Arabic No 39, 15 Nov 83 pp 16-17

[Article by Taha Ahmad Muqbil: "Discussions about the Charter: Observations on the National Grouping's National Action Charter"; Cairo AL-WAHDAH in Arabic; monthly organ of the National Grouping of Popular Forces in South Yemen]

[Text] AL-WAHDAH Magazine is making this page available for the publication of opinions it receives about the National Charter of the National Grouping of Patriotic Forces [NGPF] in south Yemen. That charter was printed in consecutive installments on the pages of the newspaper.

Colleagues are being asked to write their opinions and observations and discuss everything in the charter with total freedom. They are being asked to do this to enrich the charter with critical remarks and observations which can be utilized to introduce sound amendments into the charter.

I read the National Charter of the National Grouping of Patriotic Forces in south Yemen carefully and deliberately. The charter itself constitutes a great step forward for the national opposition in south Yemen because it sets forth for the people the intellectual mode of this opposition which today is steadfast in its fight against the existing opportunist regime in Aden. The charter sets forth generally and in detail the political, social and economic inconsistencies of the Marxist-Leninist approach upon which the regime in Aden is based.

As citizens will notice, the National Charter is an alternative for south Yemen that is compatible with our country's subjective and objective conditions because it originated from our country and from its ethnic and Islamic heritage. The National Charter was set forth as a plan about which all our citizens could comment. It would thus truly and actually illustrate the hopes and aspirations of our people and translate truthfully their Yemeni, national and humanitarian aspirations. Therefore, it is considered a matter of national duty for every honest patriot who wants what is best for his country and his fellow citizens to comment on this plan.

In registering my observations on the proposed charter my premises are purely patriotic: my belief in the freedom of my country and in its national and ethnic unity in the pursuit of its wealth, development and progress.

The first things that caught my attention in the proposed National Charter were the words, "step-by-step" and "in stages." I think these words should be deleted

from the proposed charter because a charter sets forth intellectual guidelines, that is, that ideology on whose basis all political, social and economic practices and so forth are based. Therefore, intellectual guidelines cannot by any means be set forth in a step-by-step manner because such an approach would be found in programs of action and not in theoretical, intellectual charters.

A step-by-step approach also means among other things continuity in government. In other words, the charter's step-by-step approach provides a kind of confusion in meaning that we can do without.

We all know that the Soviet Union which has been preaching communist doctrine for almost 70 years is still in a socialist stage and has not yet achieved--nor will it achieve--that promised utopia whose catch phrase is "Everyone gives what he can and takes what he needs."

Our strategic and immediate goal in Yemen is to achieve the unity of Yemeni territory and establish a central government from Aden to San'a'. There is a simple reason for that: the people of Yemen have been one nation ever since they recognized that they spoke the same language and had the same religion, destiny and culture. The partition that is being imposed on our people today is nothing but a contrived operation perpetrated by colonialists, reactionaries, feudalists and foreign, alien forces.

Reunification is the only effective remedy for the ignorance and backwardness that our country is suffering from today. It is the only effective way for building a Yemen that is strong and free from social ills. Our people know that unity gives them the hope that they will soon realize their hopes and aspirations for wealth, progress, and human benevolence in all aspects of a free and honorable life.

If we were to go back a little, we would find that our people in North Yemen carried out the revolution of 26 September 1962 not only to free themselves from the corrupt, autocratic rule of the imams, but also to bring about their own regional unity. Our people's revolution in south Yemen also broke out on 14 October 1973 not only to liberate the land from British colonialism, but also to bring about the unity of Yemeni territory. Our people hoped that unity would be achieved immediately after the departure of British colonialism from south Yemen on 30 November 1967. That was in accordance with what was mentioned in the National Front's National Charter, which was ratified in 1965 by the first congress of the National Front. But although they had proclaimed unity as a slogan, the rulers of the National Front who took over political power from British colonialism, established a separatist government or regime in the south. They relished their positions of power and disregarded the unity of the country. Therefore, all their plans and reforms for the south failed and yielded no results because they were partial, separatist plans. Then other rulers came to power, and they adopted the Marxist-Leninist theory, thrusting our country into cycles of stages and step-by-step approaches, such as that of national, democratic liberation. They consolidated their separation from North Yemen with projects whose failure time proved. These projects failed because they were partial, separatist projects inspired by an alien theory. In spite of that, the people who are in power in south Yemen are still proclaiming unity as a slogan because the public throughout Yemen is demanding that unity.

The foregoing makes us realize that today the map of Yemen shows that there is a national, democratic regime in the northern part of our country and that that regime has all the components of a national government: a national charter, a general people's congress that is made up from all the national forces, and a national advisory council. This national government is sincerely and faithfully struggling to bring about the unity of Yemen, but it keeps coming up against an insurmountable obstacle. That obstacle is the existence of a Marxist-Leninist government in south Yemen. That fact is making the achievement of unity impossible because those who are in power in south Yemen are intellectually opposed to any territorial or national unity due to the fact that they are pursuing the Marxist-Leninist theory. The slogan of Yemeni unity they are proclaiming is nothing but a smoke screen they put up in front of the Yemeni public because they fear their own deposition and isolation. Therefore, Yemeni unity will only be achieved when the Marxist-Leninist regime ceases to exist. This is a fact that is now realized and understood by everyone of our people from San'a' to Aden.

To correct this stalemate, this is the solution:

--An interim, national coalition government that would serve no more than 3 years is to be established. That government would resolve all the conflicts created by the Marxist-Leninist government and would then enter into a dialogue with the government of north Yemen so that a general popular referendum on Yemen's national unity could be held throughout Yemen.

I deliberately said that an interim government is to be established; I did not say a united, step-by-step, fair, democratic national government.

Article One of the General Objectives of the proposed charter states that this step-by-step approach may be shortened but may not be prolonged. To settle the matter I determined a set period of time for the interim government; it is not to exceed 3 years.

I am also proposing that the interim government carry out the following tasks:

--Abolish the Marxist-Leninist system.

--Adopt a unified, democratic, national policy.

--Appoint a temporary advisory council in which all honest, national forces would participate.

--Abrogate all friendship and cooperation treaties concluded with foreign countries.

--Expel all foreign experts, especially military experts.

--Release all political prisoners and shut down all political prisons. These prisons are to be turned into educational and religious institutes.

--Proclaim general amnesty for all those who have been banished by the existing regime and who have been fleeing from it.



--Repeal all laws that have to do with insurance and the private exports of stores, bakeries and private dwellings.

--Put on trial all those who have been accused of murder or wasting state funds.

--Re-evaluate the national action experience of all national factions before independence; re-evaluate the experience of the National Front in power; and determine the disadvantages and advantages of national action in general.

--Draft a temporary national constitution.

--Declare Islam the state religion and Islamic law a principal source for legislation.

This task would be added to the rest of the articles in the General Objectives Section.

--Start a dialogue immediately with the northern part of the country to conduct a general popular referendum throughout the country on Yemeni unity.

Principal Objectives: Domestic Policy

E. Personal and Public Liberties

5. This article is ambiguous. Does it mean the freedom to establish multiple parties? Does it mean holding a general people's congress for all national forces as was done in the experience of the northern part of the country? Or does it mean establishing a socialist union like the one in the fraternal country of Sudan?

As far as I am concerned, I would look favorably on the establishment of a general people's congress like the one that exists in north Yemen. There would thus be correspondence [of institutions], and that would make the process of unity easier.

9. The Form of Government:

I propose that the last paragraph be deleted to maintain consistency with my point of view.

In the Social Area:

I propose the addition of the following article: Religious institutes are to be established in all governorates to teach children and young people the Holy Koran and Islamic subjects. The establishment of these institutes is, first, an objective in and of itself and, second, it is a means for fighting atheistic, communist ideas.

Section Two: the Unity of Yemen

The statements made in the section on the unity of Yemen are objective and truthful, except for those that were made in the last paragraph on page 47 and on page 48. These statements lack objectivity and truth, particularly since they were



mentioned in this section. "The question of Yemen supersedes all the interests of persons, parties or groups; it supersedes any justifications [for division] such as the various political, social, cultural and economic differences between the two parts of Yemen."

The temporary national coalition government that I proposed in the article on General Objectives will put an end to and liquidate all the oppressive and separatist suggestions that were put forward by the existing regime in the southern part of the country. This interim government would do so in a set period of time, after which it would engage in a dialogue with the northern part of the country about holding a general popular referendum on the unity of Yemen. Therefore, I am suggesting that the last paragraph on page 47 and the statements made on page 48 be deleted.

These are merely my own personal suggestions which I am writing down; they are based on my experiences in national action. May God grant us success to do what is good for our country and our citizens.

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SWEDISH AID FUNDS GO TO HOSPITAL IN 'LIBERATED' PANSJIR

Stockholm SVENSKA DAGBLADET in Swedish 20 Jan 84 p 4

[Article by freelance reporter Stefan Lindgren]

[Text] With help from SIDA [Swedish International Development Authority], the Swedish Afghanistan Committee is operating a unique aid project in Afghanistan. Medicines and food are being carried on the backs of donkeys to areas where neither the United Nations nor the Red Cross is able to help the war victims.

As a result, the hospital in Pansjir, which has been "liberated" by the guerilla movement, is being supplied in part with Swedish-financed medicines. When starvation was imminent because of continuous Soviet bombing attacks in 1982, rice and wheat worth almost 500,000 kronor arrived. And a medical center will soon be opened, also with the help of money from Sweden.

The Swedish Afghanistan Committee has also been paying the rent for some time on a building in the city of Peshawar on the Pakistani side of the border, where about 60 disabled fighters from Pansjir Province are currently being cared for. Other projects may be considered this year.

"Since the school system was completely wiped out after the Soviet invasion 4 years ago and the schools were turned into propaganda centers, there is a great pent-up need for education," reports Anders Fange, who administers Swedish aid in that war-torn country.

Swedish Drilling Equipment

Other Swedish aid could take the form of seed and equipment for drilling wells. And why not equipment to help people in the war-stricken villages supply their own food?

In Pansjir, I myself saw guerrilla fighters--mujahedin--unpacking a Swedish-made drilling unit they had bought at a high price in Pakistan. They were going to use the drill to build food storage facilities inside the mountains for protection against Soviet bombers.

The Swedish Afghanistan Committee had invested over 2 million kronor in that aid activity through the end of 1983. An additional sum of nearly 2 million

kronor will be spent in the first half of 1984. But the situation is uncertain after that.

In all, the committee has been allocated 4.2 million kronor from SIDA's disaster fund, including 600,000 in funds collected through drives and 570,000 in appropriations from British support committees without their own representation in Peshawar.

### Shivering People

We were in Pansjir, and it was morning in the village of Astona. Sitting outside a two-story mud house with a red crescent painted on its gable were about 20 shivering people waiting to be examined.

Three French doctors work at that hospital. French aid in this respect is sizable. Three organizations--International Medical Aid, Doctors Without Frontiers, and Doctors of the World--are there to operate seven hospitals inside Afghanistan.

To this hospital in Astona come people not only from villages in Pansjir but also from neighboring provinces. Among the patients are some who have been injured by the thousands of mines that Russian troops have laid and, in the case of "liberated" Pansjir, left behind them in the valley.

### Mines Everywhere

The mines are everywhere. Francois Godard, one of the French doctors, says: A guerrilla fighter was on his way back from Badakshan to Pansjir. He stopped at a creek to drink some water and put one hand on the ground for support. But he happened to brush against a so-called butterfly mine. It exploded, and the man lost two fingers."

In this hospital, which has about 20 beds, we found several people who had been wounded by mines. One of them was a 12-year-old boy who had lost a leg and whose other knee had been destroyed.

But war victims are not the only people that must be treated by the hospitals in the guerrilla-controlled areas. Many diseases have been aggravated by the war due to the food shortage, poor hygiene, and other difficulties, and they require special care.

The infant mortality rate is now considered to be as much as 40 percent in these areas. Shabby clothing and the lack of fuel turn measles and whooping cough into fatal diseases in the severe winters up in the mountains. Cases of tuberculosis, intestinal worms, and tetanus are numerous. Several of the patients we met had become seriously ill because small wounds had become infected and grown into suppurating flesh wounds. We also saw examples of the custom of smearing mud or cow dung on wounds.

## Tremendous Need

The French doctors in Afghanistan are meeting a tremendous need. Of the 800 doctors the country had before the war, only 300 are left, and about 80 of those work with the mujahedin in the rural areas. Naturally, the Russians take a dim view of the activities of those doctors.

The former hospital in Pansjir--which incidentally had once been former King Zahir Shah's summer villa--had both the Red Cross and the Red Crescent emblem painted on its roof, but it was bombed out by Soviet aircraft in May 1982. For a while, all hospital care had to be given in caves in the mountains.

It is said that when Soviet troops captured the villages in west Pansjir, their first move was to search for French doctors. One of them--Philippe Augoyard--was captured and sentenced to 8 years in prison for "espionage." It was only after pressure had been brought to bear by French authorities and following a "confession" on Kabul TV that he was released.

## Afghan Clinic

Those who cannot get help from the French doctors have other possibilities in Pansjir, however. Only a few kilometers from the hospital in Astona is a clinic operated by Dr Abdur Rahman, an Afghan. He sees about 40 patients a day.

He has a great shortage of medicines. He showed us his almost empty medicine chests.

"Four months ago I was promised medicines from the Swedish committee. But nothing has arrived yet," he said with a look of extreme unhappiness.

"The way things are now, I am forced to advise many of my patients to try to go to other places in Pansjir where I know they can buy medicines--but at prices that they usually cannot afford."

Abdur Rahman talked about his plans for a school for training more personnel for his clinic:

"At the moment, we are training 16 male nurses in Pansjir. And out in the villages, the intention is that we will soon have about 50 male nurses ready. I recently met with representatives from various villages in Pansjir to try to teach them something about preventive measures--for example, to be careful with drinking water."

But Anders Fange promises that Abdur Rahman will get his medicines: "Everything takes time to get through in a war. Even a letter can take from 3 to 5 months to reach its destination."

Swedish money is also being used to operate nine clinics inside the country. In Farah, Kunar, Paktia, Gazni, Nimroz, and Takhar, the clinics are supplied with both doctors and medicines. Some clinics merely receive medicines

in packages of between 100 and 150 kilograms. "These include certain antibiotics, and we require that at least medical students be on duty there," says Anders Fange.

"Technically, the clinics are independent and are not supposed to be connected with any particular party. But cooperation with the mujahedin is obviously a condition for being allowed to do their work. But they must comply with the ethics of medicine and take care of anyone who seeks treatment."

There is no rule that only war injuries are to be treated--care is also provided for injuries due indirectly to the war. In principle, no surgery is to be performed inside the country, but in many cases doctors are forced to amputate limbs, usually without putting the patient to sleep.

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NEW REBEL LEADER GENERATION LESS DISTRACTED BY FACTIONALISM

Stockholm DAGENS NYHETER in Swedish 3 Jan 84 p 9

[Article by Ingvar Oja]

[Text] The struggle against the Soviet occupation troops has been going on for 4 years now, but the resistance groups in exile are still divided. More and more of the initiatives are now being taken within Afghanistan, where a new generation of guerrilla leaders is emerging. The photo [not included] shows a guerrilla fighter in one of the camps in neighboring Pakistan.

Peshawar, December--Red and white Afghan rugs covered the entire floor, and along the walls there were thick, bright red pillows. The heating coils in a small electric heater placed against one short wall were giving off their light. Sitting in the middle of the floor was a spokesman for one of the biggest Afghan resistance groups.

He had a long black beard and was wearing a dark green military-style jacket. We were drinking sweet green tea and talking about the Afghan struggle to resist the Soviet troops.

The spokesman devoted most of the hour-long conversation to critical analyses of the policies and military strategies of the other resistance groups. At times he would look up and come out with a sarcastic comment, and then his face would light up with a sudden smile.

Bitterness

In another office several kilometers away in a poorer part of the city, a group of guerrilla soldiers were talking bitterly about the leaders in Peshawar, "who have not done much for the people." The room where they were sitting in a small circle was austere furnished, and the only thing in the way of books was a dictionary and a book of adventure stories about the struggle against the Nazis by the European resistance movements. The book's title was "The Path to Resistance."

Four years have passed since the Soviet invasion of Afghanistan, but the resistance directed from Peshawar in northwestern Pakistan is still divided

ideologically, religiously, ethnically, and militarily. The resistance movement has not yet found its path. In a coming book, one Afghan author describes the Afghan resistance to the Soviet presence as a case of "shepherds serving the wolves."

"The shepherds" in Peshawar have in fact managed to unite in one organization, but on the whole, that organization has existed only on paper in Peshawar. The various groups have continued to maintain their own offices, and in their political campaigns, they find it difficult to conceal their loathing for one another.

Those antagonisms have been even more conspicuous inside Afghanistan, and on innumerable occasions, there have been regular battles among the armed units of the various political groupings.

Now even the outward political unity seems to be collapsing. One of the biggest resistance groups has decided to leave the organization.

The latest quarrel among the various groups is centered on discussions concerning the role of the dethroned 70-year-old King Zahir Shah in the struggle against the Soviet troops. A delegation from the king, who has been living in exile in Italy since the coup d'etat in 1973, recently visited Peshawar and held exhaustive talks with several of the resistance leaders.

#### Faith in King

The leaders who talked to the king's special envoys are still favorably disposed toward the monarchy and feel that the king has an important role to play in the national struggle. They believe that the king is the only person around whom all groups can rally as a nation.

But one does not have to talk to the various resistance groups very long to realize that the king's person may deepen the split instead. A spokesman for the fundamentalist Hezb-e-Islami explains that the king as a unifying figure is completely impossible, since "he paved the way for the Russians."

The spokesman says: "The attempts to unite the resistance around the king are pure folly." And he claims that rapprochement with the king is a Soviet political ruse and an admission that the Soviet attempts to subdue Afghanistan militarily have failed.

"The king has always been soft on the Russians, and when he was in power, he sent many Afghans to the Soviet Union to be brainwashed."

According to many people, the debate about the king shows that the resistance leaders have lost touch with reality. Those observers say that history long ago left behind the king and the feudal society he represents.

"This whole debate is ridiculous," says a representative of a small, politically radical guerrilla group in central Afghanistan. He does not even want

to waste time commenting on the king's possible role either in the resistance movement or in a future free and independent Afghanistan.

"The king belongs to history, not to the future."

Talking with different resistance leaders in Peshawar soon reveals another antagonism as well: one that may be more crucial to Afghanistan's future than the quarrel over the king's possible role. This is the antagonism between the leaders in Peshawar (some of whom have not been in Afghanistan since the mid-1970's) and the leaders inside the country--leaders who are totally dominant in their respective areas and who are only technically connected with the organizations in Peshawar.

The organizations in Peshawar receive help from the Arab world and Pakistan as well as from other places, and they in turn see to it that weapons and money are sent on to Afghanistan. But as the various resistance groups have built up bases inside the country, their dependence on the "parent organizations" has declined, and one sometimes wonders who is really the leading power in the resistance struggle.

In Pansjir, the struggle is led by the somewhat legendary Ahmad Shah Massoud, who has technical ties with a group in Peshawar but takes no orders from that group. He recently extended the cease-fire with the Russians, a fact that is looked upon with disapproval by the organizations in Peshawar. The spokesman for Hezb-e-Islami hints with an ambiguous smile that Massoud has betrayed the resistance struggle and "sold out to the Russians."

"Massoud has been magnified to unreasonable proportions in the Western media. After all, Pansjir is only one of over 200 districts," said the spokesman, and he added firmly that even Massoud's own men condemned the cease-fire with the Russians. But the spokesman could not explain why Massoud is still one of the undisputed leaders in the valley or why many resistance groups even outside Pansjir view him as a unifying force in the struggle against the Soviet Army.

#### New Phenomenon

It seems obvious that as time goes on and resistance to the Soviet presence spreads inside Afghanistan, more and more of the initiative will pass to the groups and leaders inside the country. To many Afghans, that is the most natural and most hopeful development.

"The country is currently experiencing a new phenomenon in which young and well-educated leaders are stepping forward," says a professor from Kabul University who fled to Pakistan but who tries to stay out of the partisan quarrels. "Those new leaders are our hope; they are close to the people and familiar with their problems and expectations."

#### No Way Back

Until the communist coup d'etat in April 1978, Afghanistan had for centuries been a feudal society. It was a society in which clan chiefs, landowners, and



the clergy held absolute power. Women were forced to live their lives behind the veil, and ignorance concerning the world beyond one's own tribe was profound.

Afghanistan was a nation lacking national solidarity--a collection of peoples and tribes scarcely touched by the directives sent out by the government that happened to be in power in Kabul, the capital. The governments were always dominated by the Pushtuns (Pathans). The other nationalities accepted that dominance because they were left in peace.

The revolution of 1978 placed severe strains on that feudal structure, and the traditional power groups in the rural areas felt their positions threatened. Some of them took up arms immediately, and some fled to Pakistan. It is those leaders who now dominate the many resistance groups in Peshawar. And in conversations with them, it emerges rather quickly that the struggle is not just for an independent Afghanistan but also for an Afghanistan dominated by the traditional constellations of power.

The fundamentalist religious groups want to create a society in the Iranian style but without the reforms in the rural areas which, despite everything, have begun to be implemented in Iran. For example, land reform and women's liberation in a future Afghanistan dominated by the fundamentalists are out of the question, since such reforms, according to the clergy, conflict with Islam. Or, as one mullah (Moslem clergyman) puts it:

"There will not be any change in society: we are fighting only to defend Islam."

But those fundamentalist resistance leaders and clergymen are talking about a society that no longer exists. During the years that have passed since 1978, and especially during the 4 years of Soviet occupation, Afghan society has changed completely. A national and political awareness has been emerging as a result of the resistance struggle against the Soviet forces, and for the first time, obvious cooperation among the various nationalities can be observed.

A return to a society dominated by Pathans is therefore out of the question, since the other nationalities are now demanding a share in the future exercise of power. One resistance leader from Hazarajat Province in the center of the country says straight out that his men are not going to lay down their weapons if the Pathans regain their dominance in Kabul. He also says that in all probability, an attempt in that direction would lead some groups to ally themselves with the Soviet Union. As examples, he mentions the Uzbeks and Tadzhiks, who already consider themselves outside the liberation struggle. And representatives of those nationality groups are seldom encountered in Peshawar.

In their analyses of the Soviet presence in Afghanistan, many observers point out that time is on the side of the Soviets and that the changes now taking place in society will make Soviet influence permanent. Thousands of Afghans are being sent to the Soviet Union for training, and according to the analyses

in question, they will become the Soviet Union's strongest allies in the Afghanistan of the future.

But that analysis can also be developed further.

Soviet propaganda presents the groups in Peshawar as the biggest threat to the revolutionary advances made in Afghanistan. But the 4 years since the Soviet invasion have set in motion a political process in the country--a process that has already left the fundamentalists who started the liberation struggle behind. And in the not too distant future, the groups now being trained by the Soviets may also become a threat--not to the revolutionary ideas but to the Soviet presence.

It may soon turn out that the Soviet Union is training its own enemies.

11798

CSO: 3650/106

ERSHAD GREETS PARISHAD ELECTION WINNERS

Dhaka THE BANGLADESH OBSERVER in English 12 Jan 84 pp 1, 12

[Text] The President and Chief Martial Law Administrator, Lt. Gen. H M Ershad, has congratulated from the "core of my heart" those who have been successful in the Union Parishad elections securing the people's confidence, reports BSS.

In a message at the end of the Union Parishad elections, the President also conveyed his good wishes to those who could not be successful but had upheld the cause of democracy by participating in the elections.

Gen. Ershad said the Government felt proud at the successful completion of the Union Parishad elections--one of the main steps of the process it has started for transition toward democracy.

'This election is the manifestation of the people's support for a democratic system,' he said adding, 'we want to establish firmly real democracy through election.'

The message said: 'elections in the country's four thousand and four hundred Union Parishads, which began on December 27 last, have been completed withing a fortnight. This election to the Union Parishad is one of the main steps of the process we have started for transition to democracy. The present Government feels proud at the successful completion of the Union Parishad elections. The elections to the Pourashavas and the Upazilas will be held soon.

'The enthusiasm we have noticed among the people all over the country during the Union Parishad elections, held on the basis of adult franchise, needs special mention. This election is the manifestation of the support of the people for a democratic system. We are respectful to their sentiment. I am thanking the people for this.

"Participation of the people will have to be ensured and for that we want to firmly establish real democracy through electionn. We must remember that it is essential to maintain a healthy and peaceful atmosphere in the dountry. It is most urgent for transition to democracy.

"In the Union Parishad election, 21,477 persons contested for the post of Chairman and 1,25,169 persons contested for the post of Members. I am congratulating those from the core of my heart who have won the elections, that is who could secure the confidence of the people. I believe you will be able to discharge your responsibilities successfully. I am also conveying my good wishes to those who could not be successful in the election but upheld the cause of democracy by participating in the elections.

"I am thanking all the Government officials and others who were actively connected with the Election Commission and holding of the elections.

"In the face of different advisers conditions, the way you have successfully completed the Union Parishad elections, with honesty, patience and tolerance and taking on-the spot decisions, will always be remembered. It is my firm belief that in the future, too, will be able to perform such duties with success."

CSO: 4600/1489

ERSHAD DIALOGUE WITH POLITICAL PARTIES BEGINS

Ershad Remarks

Dhaka THE BANGLADESH OBSERVER in English 8 Jan 84 p 1

[Text] The President and Chief Martial Law Administrator, Lt. Gen. H. M. Ershad while inaugurating the dialogue with political parties at Bangobhaban on Saturday announced that all restrictions on indoor political activities have been withdrawn with effect from the same evening.

The President underscored the importance of evolving a political system in the country in which the changes of Government would not come through secret killings or violence. The change would be constitutional and automatic, he added.

Forty political parties attended the dialogue at Bangobhaban.

President Ershad said the Government would come and go but the country would remain for ever. He, therefore, called upon the political leaders to place the national interest above anything else. He went on to say that there should not be any two opinions on this issue.

He said, "We all want to make Bangladesh a self-reliant and self-respecting nation by complete elimination of exploitation, deprivation, poverty and illiteracy." He also stressed the importance of a national consensus on the issue of foreign relations.

While welcoming the political leaders to the dialogue, President Ershad hoped that those who had not attended the meeting for various reasons would attend the subsequent meetings in the greater national interest. He said that he had initiated the dialogue with a view to resuming the political activities through a consensus.

He said that there was no need for putting preconditions for attending the dialogue. He said that he was always ready to discuss any political issue. President Ershad said if we all sincerely believe in democracy and fundamental rights, all controversies and issues could be resolved unitedly through negotiations.

He reminded his audience that he had promised the nation to restore democracy when he had assumed power on March 24, 1982 under a critical situation. The President said that he and his Government had worked hard for the last 21 months to redeem this pledge.

He recounted the various elections schedule already announced by his Government. In obvious reference to the demands of the various political parties, President Ershad said that it would not be proper and decent to make any fundamental amendment to the suspended Constitution under Martial Law.

Gen. Ershad said that only the elected representatives of the Jatiya Sangsad, would be the appropriate persons to make changes in the Constitution; He said that various political parties had also raised objection to the election schedule. He said that this problem could be overcome through discussions. Similarly, he said that questions have been raised on re-opening of open politics and fundamental rights.

He said that answers to these problems could only be found through negotiations. He said that for this there was a need for a will and mutual trust. He said, "We all love this nation and we all survive if the nation survives." There was a need to determine the future course in a systematic manner, he said.

Turning to Foreign relations, the President said that an independent and neutral foreign policy was of great importance for the consolidation of national independence and sovereignty. He went on to say that friendship with the neighbouring countries should be fostered on the basis of sovereign equality. And at the same time, friendship with the fraternal Muslim countries should have to be consolidated and friendship with other countries of the world would have to be strengthened.

President Ershad recalled Bangladesh's effort in initiating South Asian Regional Cooperation (SARC) strengthening the cause of unity among the Muslim nations. It is well known the part being played by Bangladesh in the Non-aligned Movement and in voicing the demand for the creation of a new international economic order.

It is a matter of great regret that some of the issues with our neighbouring country India still remain unresolved. The matter of sharing of Ganges water is the most important issue yet to be resolved with India he said.

BSS adds: The President said being a peace-loving nation we always express our concern and disappointment at the escalation of tension in the international arena. We are also concerned about the continued presence of foreign troops in Kampuchea and Afghanistan and repeated aggression by Israel on Arab lands. He said permanent peace can be established in the region only by accepting the rights of the Palestinian people and with drawal of Israeli troops from all Arab territories.

He said side by side with our efforts to establish peace in the world we are also trying our best to create an atmosphere of goodwill trust and understanding in our own region.

The statement by the President over, Syed Serajul Huda, leader of the Bangladesh Jatiyo Dal, said one representative of each of the parties attending the discussion should be given the opportunity to present their views.

Mr Abdul Kalam of Jativo League (Ataur) suggested that there should not be any discussion whether individually or jointly, but openly. No politician from any party whether attending the discussion today or not should be given the chance to have discussion privately, he added.

Later President Ershad had tea with the political leaders which provided them with the opportunity to have informal exchange of views on various national issues.

Besides the political leaders, the opening ceremony was attended by the DCMLAs Rear Admiral M A Khan and Air Vice Marshal Sultan Mahmud, Ministers and high civil and military officials.

#### Assistant Briefs Press

Dhaka THE BANGLADESH OBSERVER in English 8 Jan 84 pp 1, 12

[Text] Mr. A.R. Yusuf, Special Assistant to President Ershad said that in all 75 political parties were invited to the dialogue and over 40 political parties attended the meeting at Bangobhaban on Saturday. The dialogue would be held on the basis of the agenda spelled out by the President in his speech.

Briefing newsmen at Bangobhaban after President's meeting with the political parties, Mr. Yusuf said "we will continue our efforts to bring other political parties to the dialogue. President Ershad is always ready to discuss with those who have not attended today's meeting."

He said that some of the political parties however, could not be contacted as "we did not know the names of some of them. We will continue our efforts to bring the leaders of 15-party and seven party alliances leaders to the dialogue, he said. "We had two sittings with some leaders of both the alliances", he said. He said that President Ershad had personally telephoned some of the leaders of both the alliances and invited them to the dialogue.

Present in the meeting were, among others, former President Khandaker Mushtaque Ahmed who is the Chairman of the 12-party Jatiya Oikya Front along with leaders of the components of the alliance, former President Justice Ahsanuddin Chowdhury of the Janadal, two factions of Bangladesh Muslim League respectively led by Justice B. A. Dissiky and Mr T Ali, Mrs Selina Begum of NAP (Bhashani) Abdul Kalam of the Jatiya League, Syed Serajul Huda of Jatiya Dal, Khaliqzaman Dudu and Shawkat Hussain Nilu of BNP (dudu-Nilu), Banglar Communist Party (Rahat) Shafiq Haider of Front for National Solidarity, A K M Rafiqullah Chowdhury of Khilafate Rabbani Party, Azizul Islam Jharna of the National Party Movement, Waliul Islam alias Sukku Meah and Harihar Chowdhury of Republican Party Shafiqur Rahman of Islamic Democratic League, Moulana A. Matin of Bangladesh Labour Party, Syed Azizul Huq Nanna Miah of KSP Major (Retd) Afsaruddin of the National Democratic Party, Mofizur Rahman Rokan of National Progressive Party, Advocate Hashmatullah and Mehboob Ali Khan of the Bangladesh Social Party.

The government functionaries who attended the meeting include DCMLA Rear Admiral M A. Khan, DCMLA Air Vice Marshal Sultan Mahmud, Education Minister Mr Abaidullah Khan, Health Minister, Major General Shamsul Huq, and Food Minister Air Vice Marshal (Retd) A. G. Mahmud.

BSS adds: In the meeting the President was flanked by the two DCMLAs, members of the Council of Ministers Special Assistant to the President and high civil and military officials.

Following the statement the President invited the political leaders to tea with him. Soon after the President emerged out of the tea room to say hello to the journalists waiting at the lobby when he answered few questions from them

President Ershad said that the discussion was a good omen and expressed the hope that things would go well by the grace of Allah.

President Ershad told the newsmen that his mind was clear on the important national issues adding "you know my mind and you should help also the process"

Replying to a question on lifting of restrictions on the media and the Press General Ershad said "it is coming" President Ershad then formally saw off the political leaders.

CSO: 4600/1485



ERSHAD SPEAKS AT ISLAMIC FOUNDATION EVENT

Dhaka THE NEW NATION in English 6 Jan 84 pp 1, 8

[Text] President Ershad has called for taking a vow to illuminate every house in the country with the light of Islam declaring that "there is no alternative but this great religion for our survival and emancipation".

Inaugurating a fortnight-long Siratunnabi mahfil organised by Bangladesh Islamic Foundation in Dhaka yesterday, he said, we can get rid of the present crisis only through implementation of the messages of Allah and ideals of Prophet Muhammad (SM).

The pre-sest moral degeneration in the society has stood as a deterrent in the way of overall development of our national life, the President observed and said, we have to overcome it and have to establish Islamic values in social and individual life.

Wearing a black sherwani, a white pajama and a white cap General Ershad told a grand rally of the imams and ulema on this occasion at Railway Maidan adjacent to Secretariat that "there is no reason for fear if we remain the path of Islam" and cited a verse from the Holy Quran in this connection.

The inaugural function was addressed among others, by Local Government and Religious Affairs Minister Mr Mahbubur Rahman, Mr. Feizul Aman Siddiqui, Secretary, Religious Affairs and Mr A.F.M. Yahia, Director General, Bangladesh Islamic Foundation.

Moved by seeing the vast crowd, General Ershad visibly got emotional and wanted to know from them whether they were ready to take up 'Zulfiqar' (Sword) if necessary to spread the message of Islam from one corner to another, the audience responded in one voice raising their hands that they were ready.

At this stage, the audience who burst into enthusiasm kept on shouting frequent slogans "the only way of freedom-Islamic revolution", "We abide by nothing but Islam" and "Ershad you move ahead, we are with you". Seeing this spontaneity and enthusiasm, the President also joined them himself raising slogan, "The only way of freedom," the crowd replied, "Islamic revolution."

The President said, our independent entity and welfare of the people are dependent on the unshaken confidence in Allah and our hard work. He urged the imams and ulemas to pledge to work selflessly for establishment of an exploitation free society for the people's welfare.

He said presently the government is making efforts to build up a just and exploitation free society and has already taken various steps for reflection of islamic ideals in national life. He said all concerned must take part in government's efforts for building a happy and prosperous Bangladesh and raising the standard of living of the people.

Describing Islam as a complete code of life, General Ershad said the welfare of the people lies in the ideals and teaching of Islam which is the religion of peace, discipline, truth and justice. The present world wide clash and conflict are pushing the mankind towards destruction, he said adding that the great ideals and teaching of Islam can bring solution to these problems.

#### Tolerance & Harmony

The President said the tolerant attitude which is one of the essential properties of Islam had made this religion great and in this respect, he noted with pleasure that a complete harmony was prevailing among multi-religious people of Bangladesh. In this connection he pointed out that the government had taken special measures for the welfare of the people of all religions.

General Ershad lauded the role of Islamic Foundation in upholding the values of Islam and expanding the practice of it among the people. He said the devoted people of the country are willing to lead their life on the path of truth and justice shown by Prophet Muhammad and added that organising the Siratunnabi mahfil was undoubtedly a laudable step.

He advised the imams and ulemas to make concerted efforts for establishment of unity discipline and solidarity to the national life and to give the people necessary basic knowledge for life and to inspire them to take part in nation-building activities side by side with the religious teaching.

Speaking on the occasion, Local Government and Religious Affairs Minister Mahbubur Rahman said we believe in an Islamic religion which stands for peace, progress, discipline, emancipation, independence and finally the welfare of people. The reactionaries have no room among us, he said.

Later, the President inaugurated a book exhibition and flower show. Both the functions were attended by the members of the Council of Ministers, diplomats and high civil and military officials.

CSO: 4600/1483

ERSHAD SPEAKS AT INDUSTRIAL WORKERS MEETING

Dhaka THE BANGLADESH OBSERVER in English 4 Jan 84 pp 1, 8

[Text] The President and Chief Martial Law Administrator, Lt. General H. M. Ershad, announced a series of welfare measures for the industrial workers. Reiterating his Government's policy of ameliorating the condition of the workers and peasants, Gen. Ershad said that these two were the pillars of the country's economy. These two pillars have to be strengthened to bring prosperity for the country he added.

President Ershad was addressing a big gathering of workers at Tejgaon Industrial Area Tuesday afternoon. The gathering organised by Bangladesh Swadhin Trade Union Federation was also addressed by Air Vice-Marshal (Retd). Aminul Islam, Minister for Labour and Manpower Mr. Arshad Hussain General Secretary of the Federation, Mr. Saidur Rahman Manik Labour Secretary of newly formed Janadal and adviser of the Federation, Mr. Mokbul Ahmed President of the Federation presided over the gathering.

General Ershad, who is also the chief patron of the Federation said that he was issued instruction to the Salary and Wages Commission to start functioning from Tuesday. He also said that he would see that the owners of private industries also pay the workers dearness allowance at the rate of 30 per cent.

The President announced that a five-year plan would be taken up for providing housing facilities to the workers of the public sector industries. He added that the Government would provide fund for the plan so that houses to workers can be provided within next two years.

The difference in respect of house rent ceiling between the public sector corporation and government employees would be rationalised he said. He also announced that the rate of contribution by the nationalised industries to workers participatory fund would be raised to 5 per cent from the present rate of two and half per cent. He added that a 30 to 50 bed hospital in each of the industrial area would be constructed The President said that termination benefit to workers terminated after disinvestment of industries must be paid in advance.

Regarding reinstatement of dismissed bank employees, the President said that he would examine all the cases and would reinstate those found innocent. He

also announced sanction of Taka one crore for construction of an auditorium at Tejgaon Industrial Area, Taka one lakh each for Shaheed Manu Miah Biddyalaya and Community Centre Model School of the locality. He also instructed the concerned authority to take steps so that the bidi workers get just wages.

General Ershad said that the days are gone when the workers would remain without food, shelter and medical care. He said "I want to say that we are all workers and earn our bread working ourselves. Stressing the need for establishing dignity of labour he observed that workers are not to be counted as persons of lower class but of upper class. Referring to driving of baby taxis by university students, he said that this government was trying to establish the dignity of labour.

He added that every one in the eye of this government was equal and have the right to enjoy the fruits of independence.

He called upon the workers to increase production and said that the Government was determined to put an end to the cursed life of the workers which existed in this country since colonial rule.

Referring to his visit to workers colonies at Tongi to see for himself the condition of the workers. General Ershad said no management personnel not to spare of the head of the state even visited the workers earlier. He said that he has instructed concerned authorities to take steps so that gas, light and water is provided to workers. Because he has seen them living in a very deplorable condition without water, gas or light.

He added that the Government's development programme is aimed at improving the condition of the workers and peasants. He observed that if these two pillars are cracked the country's economy would be weakened.

At the onset General Ershad sought the permission from the gathering whether to address them as "Tumi" or "Apni". He said, you are my brothers and addressing you as "Tumi" would be an expression of closeness. The gathering suggested to address them as "Tumi".

President Ershad urged the workers not to play at the hands of others, not to become tools of others. He called upon them to directly come to him to inform him of their problems. He assured the workers that he would solve all their problems one by one.

General Ershad called upon the workers to keep the wheel moving and to increase production.

On his arrival President Ershad was profusely garlanded.

Air Vice-marshal (Retd) Aminul Islam said that the government was examining a detailed policy to solve the problems of industrial workers. He said that because of the keen interest taken by the President, the Government was aware of the problems of the workers. He added that due to a change brought about by the present Government a new zeal has generated in industrial sector.

He thanked the workers for maintaining peace in industries.

MINISTER ADDRESSES ISLAMIC BANK MEETING

Dhaka THE BANGLADESH OBSERVER in English 14 Jan 84 pp 1, 16

[Text] The DCMLA and Minister for Communications, Rear Admiral, M A Khan said in Dhaka on Friday that the present government under the leadership of General Ershad had taken up some realistic steps to reach the fruits of political independence to every door-step through achieving economic emancipation, reports BSS.

He said the steps taken by the government included equitable distribution of national wealth, increase of production by narrowing the gap between the rich and the poor, encouragement to set up of industries in private sector, provision for maximum employment opportunity and reflection of Islamic ideals and values in every sphere of national life, and finally the upholding of the Islamic traditions through our language and culture.

The Minister was addressing as the chief guest at the inauguration of the fourth branch of Islamic Bank Bangladesh Limited at Moghultoli in the old city area.

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Presided over by Al Haj Abdur Razzaque Laskar, Chairman of the Bank, the function was also addressed, among others, by Mr. M A Karim and Mr. M Azizul Huq, Executive President and Executive Vice-President of the Bank respectively.

Admiral Khan pointed out that the majority of our pious people were attracted to the transactions of the Islami Bank which is run on Islamic and interest free system.

He said following the activities of the Islami Bank the wealth would be distributed among the vast majority of the people, instead of it being confined in the hands of section of people. He also pointed out that a prosperous society could be established by utilising the profits of the bank.

Referring to the profits made by the bank during the last four months, the DCMLA said that it testified to our confidence in the bank and its bright prospects for the future

He lauded the role of Islami Bank is taking initiative for industrialisation and its efforts of the economic emancipation of the deprived people through extending financial help to them.

He also said the capital investment in the Muslim countries could be expanded through the setting up of Islami Bank

The Minister assured the bank of government assistance in solving any problem for its proper functioning.

The DCMLA said total export during the financial year 1982-83 stood at Taka 1612 crore instead of targeted Taka 1550 crore. He said during the same period the Bangladeshis abroad had remitted Taka 1473 crore which is 75 per cent above the target.

Admiral Khan said that Taka 850 crore has been allocated as agriculture loan for the current financial year. He said the government have formulated the loan policy during 1982-83 financial year in such a way that the ability of the banks to provide loan is increased.

He said that the total foreign exchange reserve during June, 1982, was Taka 240 crore. This reserve has now increased to Taka 1200 crore following the relentless efforts.

Admiral Khan said that government had allowed opening of private banks so that constructive and competitive bank system could play a significant role in our national economy.

He said the amount of deposit in the private bank now stood at Taka 1,221 crore which is 24 per cent of the total deposits of private and public banks.

CSO: 4600/1492

SRI LANKA MINISTER DEPARTS, STATEMENT ISSUED

Dhaka THE BANGLADESH OBSERVER in English 4 Jan 84 pp 1, 8

[Text] Bangladesh and Sri Lanka decided to expand trade and accelerate the pace of economic and technical cooperation and both sides reaffirmed their commitment to ECDC (Economic Cooperation among the Developing Countries) and technical cooperation between the two countries.

In a joint statement at the end of 10-day visit of the Sri Lankan Finance and Planning Minister Mr. Ronnie De Mel at the invitation of Bangladesh counterpart Mr. A.M.A. Munith both sides expressed satisfaction over the launching of the integrated programme of action under South Asian Regional Co-operation (SARC).

After review of the whole spectrum of the bilateral relations between the two neighbouring and friendly countries both sides agreed to pursue the development of trade economic, and technical cooperation in an integrated manner. Bangladesh and Sri Lanka decided to establish a joint economic committee at official level for this purpose which will meet at least once a year to monitor and coordinate the bilateral cooperation.

The ministerial-level meeting will be held at least once in two years alternatively in Dhaka and Colombo. The ext meeting will be held in Colombo in 1985.

Both sides reviewed the progress in bilateral economic and technical cooperation in the fields of trade, shipping services, telecommunications civil aviation tourism, sports culture and technical collaboration.

In the field of trade Sri Lankan side indicated possibility of increasing import of jute goods newsprint, paper dried fish, urea fertiliser, hard and particle board from Bangladesh. The Bangladesh side offered bitumen, telephone cables, jute carpets, glass ware, handicrafts, electrical goods, tobacco and potato for export to Sri Lanka, Bangladesh will import from Sri Lanka rubber and rubber products, coconut oil, other coconut products, bicycle tyres and tubes, automotive and dry cell battery.

Both sides emphasised the need for increasing flow of trade information between the two countries and for this purpose a joint chamber of commerce and industry would be set up. For further review of the trade situation between

the two countries the third meeting of the joint committee on trade will be held in Dhaka in March this year.

Both Bangladesh and Sri Lanka agreed to examine the possibility of establishing air link between the two countries and improve upon the shipping services. Both sides agreed to prepare a joint programme for improving tourism.

Sri Lankan side agreed to provide technical assistance in the field of tea industry to Bangladesh and also in the field of coir making and coconut juice tapping. Bangladesh will provide technical assistance to Sri Lanka for the operation of the urea plant based on imported natural gas.

In the agricultural field two sides agreed to further expand cooperation between the two countries through exchange of experts and information on high yielding variety cereals, oil seeds, coconut, rubber, spices, fruits and vegetables.

Both the countries agreed to promote bilateral relations in the field of education, science, culture and sports and decided to finalise programme for exchange of visits by scientists teachers, students, and journalists, exchange of cultural troupes, sports team, books and periodicals, radio and T.V. programmes.

The Sri Lankan Minister told newsmen after signing of the joint statement that the joint statement was a big step forward in the field of bilateral cooperation. He recalled the centuries' old friendly relations between Bangladesh and Sri Lanka.

The Sri Lankan Minister said that the trade volume and other cooperation in other fields would be geared up in the coming days and institutional mechanism had been created to step up the action. He said that due to lack of communication and fewer exchange of visits between the two countries the bilateral cooperation was sluggish over the past years. He was confident that the cooperation shall increase in future.

CSO: 4600/1482



NIZAM-E-ISLAM PROPOSES REFERENDUM ON 18 POINTS

Dhaka THE NEW NATION in English 13 Jan 84 pp 1, 8

[Text] Nizam-e-Islam Party (Siddiq) last night suggested to the President and CMLA, Lt. Gen. H. M. Ershad, to hold a referendum on the 18-point and such other programmes seeking the endorsement of the people and then decide on holding the presidential and parliamentary elections, reports BSS.

While briefing the Press at the Bangabhaban Thursday night the special assistant to the President Mr A R Yusuf said in course of the hour long discussion with the President at the Sena Bhaban earlier last night, the Nizam-e-Islam Party leaders expressed no opinion with regard to the issues of the dialogue.

During the talks President Ershad was assisted by the Home Affairs, Establishment, Agriculture and Education Ministers. The General Staff to the CMLA and the special assistant to the President were also present.

Alhaj Mohammad Aquil Vice-President, Advocate Moulana M. A. Raquib acting General Secretary Alhaj Salimullah Khan Treasurer Moulana Ashraf Ali ex-General Secretary and MPA, and Moulana A Hai represented the Nizam-e-Islam party (Siddiq).

The Nizam-e-Islam Party wanted open politics "without violence," and suggested further that a political parties ordinance be promulgate to restrict the use of one party name by many, Mr Yusuf said.

He added, the NIP leaders also demanded formation of Islamic advisory council with prominent Islamic scholars and intellectuals.

President Ershad informed the Nizam-e-Islam leaders that this proposal was under active consideration and the council would be set up shortly.

The President, however, made no reply to a proposal made by the NIP leaders that General Ershad take up the leadership of the country's Islamic forces, Mr. Yusuf told the press.

President Ershad made an announcement some time ago, Mr Yusuf added, that the formation of an Islamic advisory council was under active consideration.

Answering questions, the special assistant said that he was hopeful that the major parties in the country would come for discussion to strike a consensus on important national issues.

He was asked to offer a comment on the reassertion of the demands by the two opposition political parties alliances.

Mr Yusuf clearly stated that so lon "participation of the armed forces," in the national affairs had not yet featured in the discussion that was taking place between President Ershad and the political party leaders.

Asked whether the question of lifting of Martial Law had been presented by anyone so far, the special assistant said discussion leading to the holding of national polls and restoration of democracy would mean the lifting of the Martial Law.

CSO: 4600/1491

MEETING DISCUSSES 1983-84 IMPORT POLICY

Dhaka THE BANGLADESH OBSERVER in English 12 Jan 84 pp 1, 12

[Text] Minister for Industries and Commerce Mr S M Shafiul Azam stated in Dhaka on Wednesday that the Government under "the most liberal provisions" of the Import Policy for 1983-84 wanted to rejuvenate the economy with the assured supply and availability of imported goods, both essential consumer items and industrial raw materials.

Addressing the fourth meeting of the Consultative Committee for the Ministry of Industries and Commerce at a city hotel, the Minister stressed the need for fullest utilisation of the highest-ever annual allocation of Taka 3510 crore under the current year's Import Policy. He observed that the private sector in view of the Government's clear stand on an expanded and dynamic role for it within the economy must come forward in more effective ways for optimal and prompt utilisation of the allocation made available for the importers.

The meeting was attended by the senior officials of the Commerce Division, Industries Division Office of the Chief Controller of Imports and Exports National Board of Revenue and Bangladesh Bank and the representatives of various chambers of commerce and industry and trade associations.

Mr Shafiul Azam giving an overall review of import operation during July-December period of the current fiscal year maintained that supply and availability of imported goods except that of edible oil were smooth. He noted that the edible oil had gone up in prices in the international market. He observed that the industrial sector had been given the befitting priority in the import trade with a view to utilising the industrial capacity to the optimal levels. The introduction of Open General Licencing (OGL) for import of industrial raw materials and other imports is the most outstanding liberal feature of the import policy for the current year, he observed while refuting allegations about any squeeze in industrial import operations.

The Minister felt that the banking sector had a great role in smooth implementation of the Import Policy for 1983-84 and suggested for better coordination between the banks and the office of the Chief Controller of Imports and Exports for the purpose.

The half-yearly review of the operations under the Import Policy for 1983-84 showed that Letters of Credits (L/Cs) worth Taka 1116.98 crore were authorised under cash, aid/loan and barter sources during July-December '83. Besides imports worth Taka 618.47 crore were made during the same period under the Wage Earners Scheme XPL.

Meanwhile, different chambers and trade associations placed before the Consultative Committee several suggestions and proposals to activate the import trade, remove the fiscal anomalies, expedite the allocation for industrial importers, facilitate more import operations by the small importers, and simplify further the formalities relating to import transactions. Several representatives suggested that amendments, alterations and additions to the Import policy should be kept to the minimum level.

Mr M A Sattar, President Dhaka Chamber of Commerce and Industry, felt that more than one bank should be designated for the purpose of opening L/C and negotiating document in respect of the utilization of barter. He suggested that XPL should be allowed to be sold at the floor of Dhaka Stock Exchange to regulate and ensure fair price as well as to reactivate capital market. He pointed out that there was an upward trend in commercial import as compared to industrial import during July-December period, '83.

Mr M S Islam Chief Federation of Bangladesh Chambers of Commerce and Industry termed the restriction imposed by Public Notice No. 21 in respect of 42 items under category 'B' & 'C' limiting the import ceiling of Taka 2 lakh as being contradictory to the spirit of the original Import Policy for 1983-84. He felt that import entitlements for industrial raw materials should be revised upwards at the rate of one hundred percent for the current financial year.

CSO: 4600/1489

PAPERS REPORT SEMINAR ON BANGLADESH INDUSTRIAL POLICY

BSS Report

Dhaka THE BANGLADESH OBSERVER in English 8 Jan 84 pp 1, 12

[Text] The new industrial policy of the present Government came under close scrutiny on Saturday at a seminar in which some participants highlighted its positive sides while some others focused its shortcomings, report BSS.

The seminar on "industrial policy of Bangladesh" was organised by the Institution of Engineers on the occasion of its 28th annual convention, Dr. Fasihuddin Mahtab, former Minister for Finance and Planning, presided over the seminar while Maj. Gen. (Retd), M. Majid-ul Hoq, former Minister for Establishment, attended the function as chief guest.

Prof. Muzaffar Ahmed, Director, Institute of Business Administration, Prof. Rehman Sobhan, Chairman, Bangladesh Institute of Development Studies, Mr. S. M. Al-Husainy, past President, Institution of Engineers and Mr. Meshbahuddin Ahmed, Vice-President, Federation of Bangladesh Chambers of Commerce and Industry, presented papers on the subject at the seminar.

It was followed by lively discussions on the papers.

In his paper Prof. Rehman Sobhan asked the policymakers to assess the utilisation of sanctioned loans for setting up of industries, "dissect" the reasons for delay in commissioning projects, factors for poor record of loan recovery and actual levels of capacity use and also profitability of all plans in production.

He pointed out that rapid commitment of loans with insufficient scrutiny of the economic worth of the project or the financial viability of the entrepreneurs has led to the inordinate delays in the gestation of projects.

Regretting the underutilisation of the local skills, he said that the vast army of expatriate consultants and experts had found a ripe grazing pastures in Bangladesh. He therefore, suggested that the Institution of Engineers should initiate a review of all technical aided projects to see whether the country had imported skills which are domestically available.

He also laid stress on creating condition which would stimulate full use of available resources. A policy which rewards production, creativity, enterprise and hard work would have to be developed at the cost of a system which provides disproportionate rewards to the skills of the middlemen and traders, he added.

Speaking about unhealthy aspect of foreign aid and assistance, Prof. Sobhan noted that the problem of reducing poverty and external dependence lay in the creation of a social order and system of incentives which could fully motivate and organise underused resources of the country.

In his paper Mr. Al-Husainy noted that the announcement of the new industrial policy and the various steps taken subsequently made the Government intention about promoting private sector abundantly clear. Reasonable interests had also been aroused not only at home but also abroad he added.

He further pointed out that interests of foreign investors suppliers of machinery technology and services had been extended beyond the stage of mere curiosity. If they could be sure that the pronounced policies would continue to remain firm the foreign investors interests would increase and start taking concrete shapes and in the industrialisation process of Bangladesh the foreign investments might be able to make material contribution if they were done on mutually beneficial terms he observed.

Mr Husainy gave emphasis on guiding the local entrepreneurs along the right channels without dampening their initiative. Many of the issues concerned with transforming traders into industrialists as manifest in most developing countries had to be grappled with in Bangladesh also a good beginning for this was made in 1960s the benefits of which were lost due to vicissitudes of circumstances in the 1970s. Bangladesh has to start the process all over again he said adding the present generation would be industrialists as are now usually more educated and better privileged than their parents were.

Mr Husainy told the seminar that a lot more was expected from the private sector investments. In this connection he pointed out that out of 6597 industrial units sanctioned up to December 1981 2481 or 37.6 per cent had either closed down or were untraceable or had made no progress at all.

He said that out of total sanction of Tk. 15.11 billion in the first three years of the Second Five Year Plan 62.4 per cent might be assumed to materialise. This would mean that for sanction up to June 1983 Tk. 8.18 billion equivalent to 46.5 per cent of the total Second Five Year Plan provision of Tk 17.59 billion for the private sector would materialise. Unless something marvellous happened the FYP target for the private sector industries was likely to remain unfulfilled by almost 50 per cent he said.

He suggested a series of measures to reinvigorate the private sector industries. They include reasonable protection to the local industries equity support adequate power supply sufficient allocation for small scale and rural industries and human resources development.

Prof. Muzaffar Ahmed pointed out that the new industrial policy which had ignored the interests of the rural development and ridiculed vast majority of the people could never deliver the goods to the nation. This policy would only help create a vested interest group in the country he observed.

#### NEW NATION Correspondent's Report

Dhaka THE NEW NATION in English 8 Jan 84 pp 1, 8

[Text] The speakers at a national seminar yesterday underscored the need for exhaustive capacity utilisation of the manufacturing sector and called for re-direction of the policy for harnessing the local expertise and skills as well as domestic resource potentials.

The Institution of Engineers organised the seminar on "industrial policy of Bangladesh" on the occasion of its 28th annual convention. Presided over by Dr. Fasihuddin Mahtab, the seminar inaugurated by former Establishment Minister Maj. Gen. (Retd.) M. Majid-ul- Hoq. Prof. Muzaffar Ahmed, former Presidential Adviser and Director, Institute of Business Administration of Dhaka University, Prof Rehman Sobhan, Chairman, Bangladesh Institute of Development Studies (BIDS), Mr. S.M. Al-Husainy, former Industries Secretary and Mr. Mesbahuddin Ahmed, Vice-President of the Bangladesh Federation of Chambers of Commerce and Industry presented papers on industrial policy.

The speakers opposed the export oriented growth strategy and urged upon the government to provide necessary fiscal and monetary incentives for the best utilisation of the industrial capacity both in the public and private sector. They painfully observed the lack of national commitment and sense of direction at all level. No conscious effort has yet been made to harness indigenous technology, its use and development before importing the foreign technology, they observed.

The speakers said that the government has formulated the industrial policy which is creating some satellite towns near the metropolis by depriving the villages. They observed that the government is pursuing the industrial policy by laying emphasis on cottage industry with its age old production technology.

The speakers pleaded for rapid introduction of modern technology in the cottage industries sector through expansion of applied research continuous innovation of indigenous technology and above all by laying emphasis on human resource development with widening scope of education.

The speakers advocated for constituting independent public undertakings committee for the government assisted industries both in public and private sector to withstand the political pressure and to make the industries accountable to the public. Suggestion was also set in motion for formulating Annual Production Plan (APP) as the centre piece of our development effort for the next ten years.

Dr. Fasihuddin Mahtab in his address observed that the rural people have been demoralised as they are subjected to many risks. He opposed the massive transfer of rural resources in the form of unfavourable trade-off without investing in the rural areas.

Referring to the traditional handloom sector he said the handloom sector is now dying. In the name of labour intensive technique modernisation did not take place. He emphasised the need for special planning and sub contracting network so that it could adjust with the change in market demand. He criticised the local agents of the foreign companies as they did not enter into progressive manufacturing and the resultant effect is that the value added for assembling plants is negative. He was very critical of the role of bureaucrats and intellectuals and said the intellectual dishonesty is ruining the country. Regarding the bureaucrats, he referred the role of the ministers in "yes minister series" of Bangladesh television.

Professor Muzaffar Ahmed in his paper criticised the role of different governments since independence and said the then leadership immediately after the independence opened the door for private investment by expanding the investment limit upto three crore. He described the industrial policy as the "appeasement policy" for the private sector and criticised the government for limiting the public sector.

Prof Rehman Sobhan said that more than 50 per cent of industrial capacity remains underutilized while we are searching for external resources to fund new capacity is part of the paradox which contribute external dependency. He observed that the rapid commitment of loans with insufficient scrutiny of the economic viability has led to inordinate delays in the gestation of the projects.

Referring to the technical assistance, he said despite our locally available expertise foreign technical assistance are being sought. He urged the engineers to rigorously scrutinise as to its needs and to exhaust all possibilities of finding local expertise to do the job.

Mr. al-Hussainy in his paper observed that out of 6597 private industrial units sanctioned upto December '81 out of which 2481 had either closed down or untraceable, the recovery rate of which ranges only from 5 to 6 per cent. He emphasised the need for best choice of entrepreneurs. He proposed for more steps for labour training, to stop misallocation of resources and others.

Mr. Hasanul Huq Inu criticised the present industrial policy and described it as supplier of national resources to the international market.

Among others, Dr Ataul Huq Khondakar, former member of Planning Commission, Mr. Hammad, Managing Director of Machine Tools Factory and Dr. David Norbye participated in the discussion.

Later Mr. B.M. Abbas delivered a lecture on the future of water development in Bangladesh in Shibpur old boys association lecture session. The DCMLA Air Vice Marshal Sultan Mahmud later participated in the annual dinner.



CONFERENCE DISCUSSES CANE GROWERS' PROBLEMS

Dhaka THE BANGLADESH OBSERVER in English 12 Jan 84 pp 1, 12

[Text] There is no restriction on the crushing of sugarcane by the farmers in the country including Sugar Mills Zones. The farmers are at liberty to utilise sugarcane to their advantage and crush sugarcane in any manner to make 'gur' or they may sell sugarcane to the mills if they like, according to a PID handout.

This decision was taken at the conference of the ZMLAs held recently at the CMLA's Secretariat with the Chief Martial Law Administrator Lt. General H. M. Ershad in the chair in the greater interest of the sugarcane growers and to ensure maximum utilisation of sugarcane.

The conference discussed in detail the problems existing in various sectors of the country and took a number of decisions for their early solution.

The conference decided to set up an inter-ministerial committee to enquire into and solve the problem created by a section of dishonest timber traders in the way of proper disposal of timbers in Chittagong Hill Tracts and to undertake a scheme for extensive plantation of forestry in Chittagong Zone by aerial spray without further loss of time.

The other decisions taken at the conference, inter alia, include:

- (a) Establishment of a Blood Bank in Patuakhali Modernised Sadar Hospital on priority basis;
- (b) Linking of Upazila headquarters with the nearest district town by metalled roads by the end of the current financial year.
- (c) Electrification of Upazila headquarters on priority basis;
- (d) Entrusting the responsibility of repair and maintenance of all government buildings, including cyclone shelters, ment of insurance claims of road accident victims due to to the Upazila Parishads:
- (e) Examination in depth of the problem delaying settle-procedural complications and adoption of necessary steps for simplification of the procedures as such;

(f) Completion of the on-going projects of RDDB by diverting funds from the current year's budget;

(g) Taking drastic action against wrong site selection, faulty design, contract and construction of government development projects; Cabinet Division and Ministry of Works have been asked to implement the decision and ensure progress.

(h) All sluice gates are to be made operational immediately and handed over to the respective Upazila Parishad for use, operation and maintenance. Any negligence in this regard will be dealt with severely.

CSO: 4600/1489

BANGLADESH BANK PREPARES POLICY PROPOSALS

Dhaka THE NEW NATION in English 12 Jan 84 pp 1, 8

[Article by Hassan Abul Quasem]

[Text] Bangladesh Bank is preparing a policy package to deal with the chronic liquidity problem in the monetary field for the last one year.

In a package of measures, the central bank is planning to go for massive public borrowings to meet the additional needs of the government both for food and non-food items import. Bangladesh Bank has already made a scheme to borrow from non-bank public in this direction. A proposal for raising the statutory reserve and the cash reserve requirement is now under consideration of the government as a last resort to fight the excess reserve build-up which is creating monetary instability in the economy.

Besides, the scheduled banks might be asked to reduce their borrowings from the Bangladesh Bank and to improve their liquidity position. The outstanding level of borrowing of the scheduled banks have been recorded at high percentage. The central bank may advise the government to use the scheduled banks as the potential source of borrowings to meet its fiscal shortfalls so that it can make a dent in the excess liquidity.

The central bank will discourage the fresh borrowing trends of the scheduled banks and it will instruct all the scheduled banks to repay their borrowing which will fall due as early as possible. The banks which are suffering from shortage of liquidity may be asked to borrow from the liquidity surplus banks.

The refinance facility so long enjoyed by the nationalised Commercial banks is likely to be curtailed. The central bank Taka 530.75 crore, barter Taka 121.22 crore and Wage Earners Scheme Taka 618.47 crore.

Total allocation for import requirement for the country during the current fiscal year has been set at Taka 3510 crore.

Explaining salient features of the import policy the Minister said it is most liberal intended to decontrol the imports of goods specialised under import policy.

He pointed out that the policy has been so framed that it will also protect the small importers and can maintain the capacity of the industries concerned.

Stressing the need for motivating the importers for full utilisation of import allocations made available for them. The Industries Minister hoped the importers would utilise the import allocations for the interest of the country.

He pointed out that the more the import, more domestic resources could be mobilised through accumulation of taxes and duties on import items.

The Minister said supply and availability of commodities were satisfactory except edible oil. Due to some unforeseen reasons the availability of edible oil could not be ensured, he added.

Referring to imports of cotton, the Minister said textile and cotton mills suffered temporarily as raw cotton could not be imported on schedule due to non-availability of IDA credit in time.

The Import Consultative Committee was also addressed among others by presidents of Federation of Bangladesh Chambers of Commerce and Industries, Dhaka Chamber of Commerce and Industries, Metropolitan Chamber of Commerce and Industries and representatives of chambers of commerce and industries of Sylhet, Jessore, Bogra and Pabna.

CSO: 4600/1490

PRESS REPORTS MEETING OF INTERNATIONAL JUTE BODY

Meeting Opens 9 Jan

Dhaka THE NEW NATION in English 10 Jan 84 pp 1, 8

[Text] UNCTAD-sponsored International Jute Organisation (IJO) was launched in Dhaka yesterday with the objective of promoting jute and jute products real price of which has declined by nearly 50 per cent since 1955.

Five jute producing and 17 consumer countries meeting at a city hotel yesterday decided to give effect to the international agreement on jute and jute products signed in Geneva in 1982. The meeting followed inauguration by Industries Minister S. M. Shafiul Azam of the five-day first session of the International Jute Council, the highest body of IJO.

The Soviet Union, which is the second highest Jute importing country after USA conspicuously kept out of IJO, but sent representative to the council meeting as observer.

Pakistan and Australia, two other consumer countries, are likely to come in to the IJO fold by the next few weeks when the council extends the time limit for joining it.

The IJO headquarters will be located in Dhaka which exports about 57 per cent of world's jute and jute goods requirement.

Besides, delegates from member countries the function was attended by representatives from UNCTAD, ESCAP, FAO, EEC, Organisation of Islamic Conference, Asian Development Bank, members of the diplomatic corp and jute magnates.

Opening the council session Mr Shafiul Azam said IJO was launched at a time when the commodity economies were hit hard in recent years by record fall in prices, commodity situation continued to deteriorate and terms of trade remained unfavourable to primary producers.

He said jute was the worst affected commodity the real price of which had declined by almost 50 per cent between 1955 and 1980.

On the other hand the prices of manufactured goods exported by the industrialised countries increased by over 70 per cent in real terms during the same period.

The annual recurring loss of purchasing power of developing countries including Bangladesh put a serious strain on their economies. He estimated that Bangladesh, since its liberation, lost an average of 40 per cent of annual export earnings due to adverse terms of trade, he added.

The minister viewed that successive years of low prices could cause social dislocation of immense proportions.

He expressed the hope that the international jute council would explore ways as to how best the producers of jute can improve their real level of income from exports. At the same time the consumers should be assured of adequate supplies at stable prices.

UNCTAD representative Mr Erik Chripecis said jute was the single most important product of Bangladesh. It was a source of livelihood for tens of millions of people engaged in production of raw jute, manufacture of jute products and ancillary services associated with it.

He thought that there were significant possibilities through research and development to raise production of jute and find new uses for them.

The FAO representative to the meeting, Mr S. S. Puri said export of raw jute in 1982-83 amounted to about five lakh tons compared to more than one million tons in early sixties. For the current fiscal year he forecast further decline to less than four point five lakh tons.

He said the downward trend was a reflection of the deteriorating returns to jute growers, both in real terms and relative to competing crops in particular paddy.

Holding out FAO's support to IJO Mr Puri said it was prepared to provide assistance in formulation and execution of projects in the field of agriculture and primary processing of jute.

Earlier, welcoming the delegates Mr Shamsul Haque Chisti, Secretary, Jute Division, said IJO has opened a new chapter in the history of international cooperation on jute after six years of hard negotiations.

He lauded the UNCTAD efforts to bring jute producers and consumers to an international understanding which culminated in the setting up of IJO.

Conference sources said the council will today elect the chairman and vice-chairman and also appoint an executive director for IJO.

Before the council came into session the 22 member countries at a meeting adopted a resolution which said they "decide to put the international agreement on jute and jute products, 1982 into force provisionally among themselves

in whole as of 9 January, 1984 "and" decide further that the agreement shall enter into force definitively when the requirements set forth in article 40 paragraph one of the agreement have been met, without necessitating a further meeting of the governments concerned.

Bangladesh, China, India, Thailand and Nepal attended the meeting as producing countries while Belgium, Canada, Denmark, Egypt, Finland, France, West Germany, Greece, Ireland, Italy, Japan, Netherlands Norway, Sweden, Turkey, UK and USA took part as consumer countries.

#### Meeting Ends, Officials Named

Dhaka THE BANGLADESH OBSERVER in English 14 Jan 84 p 1

[Text] The five-day meeting of the International Jute Council (IJC) the highest body of the International Jute Organisation, (IJO) concluded in Dhaka on Friday.

The council on the last day of the meeting formally appointed Mr A K Dutta of India as Executive Director for a term of three years.

The current Chairman Mr. Jurgen Brandenburg of the Federal Republic of Germany and Vice-Chairman Mr M Shamsul Haq Chisty of Bangladesh have been re-elected for another term (1984-85) in the council session. An administrative budget of approximately 710,000 U.S. dollar is expected to be okayed during the meeting for 1984-85 while approximately 384,000 U.S dollar budget is expected to be approved for the remaining time of the current jute year which ends in June 30, 1984.

In its effort to sustain the production and consumption of jute and jute goods, the council will concentrate mainly on cost-reduction, market promotion, research and development.

In order to achieve these fund mobilisation plays a vital role, said Mr Jurgen Brandenburg while briefing newsmen during the meeting.

Representatives of the Netherlands Denmark Sweden UNDP India Switzerland and EEC have made indications of possible financial contributions for speedy implementation of the projects to be undertaken by the IJO in its process of operation.

The council considered a number of project proposals prepared by the International Trade Centre (ITC) and FAO. The council referred the proposals to the committee on projects of the IJO for examination and establishing the order of priority in implementation. The committee on projects is expected to meet Dhaka in May this year to study the proposed projects and will place their reports to the council in the October session of IJC Mr. Brandendburg said that the participating representatives attached utmost importance to the speedy implementation of at least some of the projects.

The council received positive indications from the Government of Switzerland of the latter joining the organisation. As an international organisation the IJC in the meantime will sort out certain formalities like establishment of secretariat, adoption of financial rules staff regulations and headquarter agreement (between IJC and Bangladesh Government).

The Executive Director, with rank and status of a senior UN official, will complete the recruitment of the Secretariat staff apart from mobilising fund from different sources and ironing out the rules of procedures.

CSO: 4600/1492



# AWAMI LEAGUE MARKS ANNIVERSARY OF MUJIB'S RETURN

Dhaka THE NEW NATION in English 11 Jan 84 pp 1, 8

[Text] Awami League yesterday observed the 12th anniversary of the return of Bangabandhu Sheikh Mujibur Rahman from Pakistani jail.

Addressing the discussion meeting Awami League President Sheikh Hasina Wajed said that her party cannot join the dialogue keeping the people deprived of their fundamental rights.

Presided over by herself the discussion meeting was also addressed by presidium members Abdul Mannan, Zillur Rahman, Abdus Samad Azad, Korban Ali, Organising Secretary Tofael Ahmad, Acting General Secretary Sajeda Chowdhury and Joint Secretary Ameer Hossain Amu. The discussion was followed by a milad mahfil where special prayer was offered for the salvation of the departed soul of the leader who was killed during the changeover of August, 1975.

Sheikh Hasina Wajed said the government was talking forlified with state power but the politicians are being invited to the dialogue without their main source of power--the people. She said they are directly accountable to the people and they must contact the people before and after joining the dialogue session. Keeping the politics banned and people deprived of their fundamental rights that would not be possible.

She demanded congenial atmosphere for the dialogue.

Describing the background Sheikh Hasina said that before the arrival of Bangabandhu from the Pakistani Jail the independence was incomplete. And ever since the killing of Bangabandhu in August 1975 anarchy was prevailing in the political horizon and the process of transfer of power was more dependent on weapons than on popular verdict. Successive governments were engaged in splitting the political parties to serve their own interest which resulted in the mushrooming of about 75 political parties.

Sheikh Hasina criticised censorship and said that radio, television and the national newspapers were not in a position to print the news of the political parties and whatever little they print, it is done in such a manner that it serves the purpose of the government only.

In the wake of the mid-February incidents government conceded indoor politics and a following the incidents of Nov. 1 right of open politics was also achieved, she said. But in less than a fortnight the right was taken away Justifying it by a stage-managed breaking of the Secretarial wall.

Sheikh Hasina said that in the circumstances Awami League workers had a role to play and they had a responsibility to reach the fruits of liberation to every doorstep.

Organising Secretary Tofael Ahmed said the dialogue was opened only to undermine the image of the political parties.

Mrs Sajeda Chowdhury said that the government was maintaining a double standard regarding politics. For the politicians it was indoor politics but the people in power were organising open meetings.

She said that Janadal was composed of the people rejected by the political parties.

#### CTG Observance

Our Chittagong Bureau adds Awami League (H) observed the Bangabandhu's home coming day yesterday. In this connection a discussion was organised at the party's Andarkilla office chaired by A.B.M. Mohiuddin Chowdhury, joint convener of Chittagong District (north) Awami League.

It was addressed by Prof Pulin Dey, Akhtaruzzaman Chowdhury Babu, Dr. A.B.M. Faryezur Rahman, Abul Kalam Mahbubur Rahman Chowdhury, and advocate Saifal Bashar.

Speakers expressed their firm determination to implement the ideals of the Bangabandhu.

CSO: 4600/1488

TIMES INTERVIEWS ESCAP EXECUTIVE SECRETARY

Dhaka THE BANGLADESH TIMES in English 9 Jan 84 p 5

[A.U.M. Fakhruddin interviews Mr S.A.M.S. Kibria, Executive Secretary of Economic and Social Commission for Asia and the Pacific (ESCAP), date, place not given]

[Text] Ever since its establishment in 1947 the Economic and Social Commission for Asia and the Pacific (ESCAP) has been serving as both a centre of expertise and a forum where the governments of the region can be conversant with each other's advances or lapses in their journey through the uneven path to development and prosperity. With 39 affiliated countries in its fold spanning over half the surface of the globe, ESCAP--originally known as ECAFE (for Economic Commission for Asia and the Far East)--embraces one half of the world's population. Since its inception the regional role of ESCAP has been steadily expanding on various areas of socio-economic development.

Having been designated as the "team leader" and the "main economic and social development centre within the United Nations system" for this region, the Commission is taking on more duties and responsibilities in providing technical activities in Asia and the Pacific. The Commission has been moving to coordinate work in agriculture, integrated rural development, housing, technology, natural resources, population planning, communications, social development, navigation and port development.

We can boast of Mr S. A. M. S. Kibria, Executive Secretary of ESCAP, who is a Bangladeshi. A participant in the historic Language Movement of 1952 and the Liberation War, Mr. Kibria was our Foreign Secretary, High Commissioner in Australia and Permanent Representative to UN in Geneva before his becoming an Under Secretary General of the United Nations. Prior to his becoming the ESCAP chief he chaired the "Group of 77" and UNCTAD.

In this interview, the ESCAP chief discusses different aspects and functions of the Commission. The excerpts follow:

Bangladesh Times: What is the role of ESCAP in the development of the countries of this region?

Mr S. A. M. S. Kibria: The role of ESCAP as the only intergovernmental forum of this region is important indeed. The Commission facilitates dialogue not only among governments but also among subregional groupings on various questions. This takes place through the annual Commission and legislative committee sessions. Besides, it performs certain research functions. The various divisions and units find out new ideas and thinking necessary for the development process. The ESCAP secretariat produces numerous technical publications on various subjects many of which can be important in policy-making. Moreover, apart from providing vital technical assistance, the Commission gives strong emphasis on interagency coordination which is being effectively fulfilled in particular areas--especially in integrated rural development.

B. Times: Could you please throw light upon the role of ESCAP in the agricultural development in the countries of Asia and the Pacific?

Mr Kibria: By and large, agriculture is the mainstay of the countries of this region. Most of the countries here depend almost entirely on the primary products, that is, agricultural or farm products. By exporting these primary products they earn their valuable foreign exchange. Keeping in view this important question ESCAP has, since its inception, played an active role for agricultural development in this region. This role was performed in very many ways, such as advisory services and research work. The Commission has been rendering technical assistance for a long time. As food remains a crucial problem here so the Commission has taken ample steps after adequate deliberations at different levels for the all-important question of food security. I believe in the near future we shall be able to take some effective steps as regards food security in this region.

B. Times: For the interest of food security in Bangladesh ESCAP is going to launch a food production forecast system shortly. Could you please elaborate the method?

Mr. Kibria: This is largely a technical matter based on intricate satellite technology. Till today, meteorological office here can forecast weather for only one or two days; but the space satellite equipped with many complex machines and instruments can analyse the climatic condition of a given region several weeks in advance.

The assessments of the machines and the satellite will help the government of this country to monitor the effects of weather on various crops, and to predict any major losses due to drought at least 30 to 60 days before harvesting begins. Implication of an information system like this can be very vital for decision-makers as well as farmers. It would enable them to prepare for shortfalls in food production thus keeping down the cost of importing food and preventing starvation.

As a result of this, farmers will benefit directly from climatic information through revised suggestions for planting dates, irrigation scheduling, and the application of fertiliser and pesticides. Over and above government decision-makers would be able to plan for the import of food or plan for contingency to lessen the harmful effects of drought. Mentionably besides Bangladesh, 10

other ESCAP member countries of Asia and the Pacific have been invited to participate in the project.

B. Times: Has the Commission adopted any specific plan for the participation of women in the development process in its member countries, particularly in Bangladesh?

Mr. Kibria: No development effort can be complete without the active participation of the total population of a given country. As such ESCAP has been stressing the need for the active participation of women in developmental activities. The Commission gives importance to training skill development and employment of women so that they could increasingly involve themselves in various income-generating occupations. ESCAP has been researching on this important subject the result of which has already borne fruits. For instance, the Commission has taken a project of silk farming which involves women of certain countries in this region. Collection of silk fibres for making yarns is a job which is suitable for women. This helps to open up an avenue of income earnings for women living in the countryside. Moreover, this elevates women's social status and the country benefits from additional textile production which in other words augments the national income.

B. Times: What is the role of the Commission in Bangladesh's efforts at growing more food?

Mr Kibria: Increased production of food is a major concern of the Commission the Agriculture Division of which administers several programmes aimed at boosting harvest or devising policies to spur productivity in farms and fields. The Fertilizer Advisory, Development and Information Network for Asia and the Pacific (FADINAP) is widely considered a very important and successful project which conducted in early last year, in collaboration with the BADCO, a workshop on methodologies, agronomic impact and effective use of fertiliser for the dealers who it is presumed, are now better equipped with the know-how.

Apart from this, we invited participants from Bangladesh to some of our regional workshops one of which was concerned with bulk blending and mixing of fertilisers which explains its merits and significance. Again, FADINAP provides trade information on fertiliser prices, recent tenders and contracts as also quantities being shipped to this region. The purpose of the service is to give Bangladesh up-to-the-minute information so that they can be in a better bargaining position while purchasing fertiliser in the international market. Without adequate knowledge, data and information developing countries are at the mercy of the sellers.

Last but not least, Bangladesh could harvest 30 per cent more yield if it were not for the pests and plant diseases that damage the crops miserably. Through its Agricultural Requisites Scheme for Asia and the Pacific, ESCAP has provided Bangladesh with technical assistance, training and knowledge focussed on the safe and efficient use, handling and application of pesticides. With this end in view, we are going to print a pesticide safety-guide in Bangla 20,000 copies of which will be made available to the Bangladesh Government for distribution among the dealers and farmers in the rural areas. All these endeavours are meant for boosting food production which is crucial for Bangladesh.

FOOD-FOR-WORK PROGRAM STUDIED, RESULTS TOLD

Dhaka THE NEW NATION in English 6 Jan 84 pp 1, 8

[Article by Hassan Abul Quashem]

[Text] Widespread anomalies have been detected in the actual payments made to the workers under the "Food for Works Programme" (FWP) projects.

It was found that the FWP workers are underpaid to the tune of about 29 per cent on the average. These facts were revealed in an evaluation study conducted by the Bangladesh Institute of Development Studies (BIDS) on several on-going projects being carried out by the Ministry of Relief and Rehabilitation (MRR) and Water Development Board (WDB).

All of these projects on which the sample study was conducted are aided by World Food Programme (WFP).

Notwithstanding the underpayment, the study found some beneficial effects on the employment, consumption and positive income effects in the overall projects sites.

According to the study, the FWP programme has achieved considerable success in reaching the target group. The main objectives of the study are to provide off-season employment opportunity to the landless and marginal farmers as well as the destitutes of the society.

The survey shows that fictitious names have been included in roll to show off the number of workers employed artificially multiplied and thus the number of mandays of employment have been tampered in the different official reports which are about to the tune of 32 per cent in the case of WDB projects and by about 20 per cent in the case of MRR projects. This fictitious number do overestimate about 30 per cent of the programme, considering the average productivity equalled 117 cubic feet rather than 70 per manday worked.

According to the study, incidence of landlessness is much higher among the FWP workers compared to that with rural Bangladesh in general. The provisional report of the study said that the rules and regulations of the programme were not strictly adhered to and the workers in general are not also aware of the wage rate and other informations relating to the projects.

It was found that about 48 per cent of the participants were drawn from the landless households and 69 per cent from what the report described as 'functional landless' with a land holding of less than half of the national average. Out of the 245 households, it was found, only 2 households reported that they tried and failed to get work in FWP programme.

#### Pay Preference

Regarding means of payment, the study revealed that only 8 per cent of the workers responded in favour of total cash payment and 37 per cent was satisfied over the payment in kind, in these cases--wheat, while 55 per cent preferred mixed mode to meet the urgent consumption need of the workers.

Beneficial effects were also found in case of employment but allocation of employment opportunities were created on the basis of ability of the workers rather than their needs.

The study also shows that there are no considerable impact on the self-employment style in the villages and negligible marginal return from self-employment was recorded and the workers, who shifted from self-employment to FWP became giner.

The report observed that there was a positive wage effect of FWP programme and opined that this might reduce the use of wage labour elsewhere in the country.

Another objective of the project to change the consumption pattern of the rural households was also found to be positive as the level of consumption rose significantly. The consumption of wheat comes to about 15.6 ounce which roughly equal to the national average. This, however, appeared to be surprising since the per capita income of the workers is somewhat less than 50 per cent of the national average. The income effect of the projects has been found to be as sharp as 55 per cent.

The report observed that carrying costs were either not advanced or advanced to the project implementation committees within the stipulated time. Moreover, proper records were not maintained and implementation details were not strictly followed as were outlined in the design. The reports, however, recommended for giving a permanent structure to the project implementation committees. It has suggested for creating technical units to meet the technical deficiencies at various levels.

#### Two Sets of Data

It is learnt that the BIDS has collected two sets of data relating to the Food for Works Programme (FWP) during its survey. One set of data; however, revealed the zero under payment while the other revealed the massive underpayment, even at the rate of over 29 per cent.

The authority, it is learnt, did not accept the report as it could not agree with either of the two sets of findings regarding underpayment to the workers. The provisional report, it is learnt, is likely to undergo some basic changes

regarding findings before it is finalised for submission, which the BIDS was supposed to do by December 31 last.

According to the authority, the report of the BIDS is not based on the facts.

CSO: 4600/1483



## PROGRESS IN BUILDING OF FARAKKA BARRAGE TOLD

Calcutta THE STATESMAN in English 6 Jan 84 p 3

[Text]

The Farakka Barrage Project will be completed by June 1985, Mr R. N. Mirdha, Union Irrigation Minister, said in Calcutta on Thursday. He was talking to reporters after a meeting of the Farakka Barrage Control Board. Mr Nani Bhattacharyya, West Bengal's Irrigation Minister, who is a member of the Board, attended the meeting along with representatives of Calcutta Port Trust, the Central Waterways Corporation and the Central Inland Water Transport Corporation.

Mr Mirdha said that construction of the main barrage at Farakka, the head regulator, the feeder canal and the Jangipur barrage had been completed. Regulated supply of Ganga water was being diverted into the Bhagirathi-Hooghly system since April 1975. Mr Mirdha said that this had helped maintain navigability of the Hooghly at Calcutta port.

However, works relating to the erection of the lock gates at Farakka, the regulator at Kalindri, two bridges across the feeder canal

and construction of the Pagla-Bansloi regulators were yet to be completed.

Mr Mirdha said that the delay in erecting the regulator gates at Farakka had stalled commissioning of the national waterway from Haldia to Allahabad. The Union Shipping and Transport Ministry was keen on introducing a national ferry service as soon as the gates were erected.

The project which was estimated to cost Rs 65.95 crores when it was launched in 1962, the Minister said, was now likely to cost more than Rs 200 crores. The Ganga water would be shared between India and Bangladesh during the lean season in accordance with the agreement between the two countries.

Mr Mirdha said he had discussed with the Planning Commission the West Bengal Government's demand for Rs 10 crores for the Teesta Barrage Project. The State had earlier demanded Rs 20 crores, but had cut down the demand to Rs 10 crores as the Centre was unlikely to meet the first, Mr Nani Bhattacharyya said. Mr Mirdha hoped the State would get the money during

the current financial year.

Mr Bhattacharyya told reporters at Writers' Buildings that he had drawn the Union Minister's attention to the massive erosion which had affected 40 km of the left bank upstream of Farakka and 35 km downstream on the right bank. The Minister felt that the erosion ought to be checked immediately and the course of the river needed to be trained.

Mr Bhattacharyya, who had earlier met the Union Minister on December 30, requested Mr Mirdha once again to see to the clearance of the Rs 111.60-crore canal project on the left of the Teesta which would irrigate 400,000 acres in Cooch Behar and Jalpaiguri. The project has been submitted to the Central Water and River Commission and the Planning Commission for approval.

The clearance of the Subarnarekha Project was also sought by the State Government. Estimated to cost Rs 158 crores, it would have a command area of 110,000 hectares. The scheme is likely to get assistance from the World Bank.

CSO: 4600/1447

## ANTARCTIC EXPEDITION LEADER TALKS TO SCIENTISTS

Calcutta THE STATESMAN in English 6 Jan 84 p 14

[Article by Nirmalya Banerjee]

[Text]

RANCHI, Jan. 5.—Some developed countries are thinking of making Antarctica a food storage of the world, Mr S. J. Quasim, Leader of the second Indian Antarctic Expedition, said here at the Indian Science Congress. The idea was that all surplus food produced in the world would be dumped in Antarctica, where it would be preserved by nature in the sub-zero temperature for a long time.

The speaker was greeted with applause when he said that yesterday he had spoken to the Indian base in Antarctica over the telephone from Ranchi.

Mr Quasim said that the Antarctic held the biggest source of living resource on earth—the krill. It was a small shrimp-like organism which was the most important link in the food chain on earth. One could harvest 40 million tons of krill a year without endangering its species. It was believed to be the biggest untapped source of animal protein on earth. He said that the Antarctic held about 70% of the world's supply of fresh water and if all the ice of the Antarctic melted the oceans of the world would rise by about 60 ft.

An important characteristic of the Antarctic ice was that it was not subject to melting and freezing and its age might run into millions of years. From time immemorial, the ice had stored the mysteries of creation—cosmic particles, fragments of meteorites and trapped ice. The Antarctic was once connected to Asia, Africa, Latin America and Australia, about 200 million years ago.

The continent was a storehouse of coal, gas, oil, uranium and other elements, but there was no

population as food was not available.

The Geological Survey of India will undertake a systematic survey of the Indian continental shelf and the exclusive economic zone adjoining the Indian coast line to prepare a detailed map of sedimentation at the bottom of the ocean, according to a report on action taken on the recommendations of the 70th Science Congress. The report was placed at the 71st session of the Congress here yesterday.

The report says that the survey will facilitate a search for mineral resources in the shallow parts of the continental shelf. The survey also proposes to explore deep sea minerals in the international waters. It may take about nine years to complete the work with one research vessel, the report says. The vessel to be used is "Samudra Manthan" which was acquired by the GSI in 1982.

The report says that the cruise tract in the exclusive economic zone will be 40 km wide. In shallow water near the coast, the survey will be conducted by the coastal launches. Two coastal vessels are being acquired for this purpose. The vessels built in The Netherlands and equipped with necessary instruments are expected to reach India by the middle of this year.

The Samudra Manthan has already completed two cruises in the Andaman area in which 75 samples have been collected.

The Council for Scientific and Industrial Research is now carrying out programmes for development of marine resources. This includes processing and preservation of marine fish and production of fish meal and development of a variety of by-products from marine fishes.

INDIA

HYDROLOGIST: FARAKKA CAUSING BANGLADESH FLOODS

Dhaka THE BANGLADESH TIMES in English 10 Jan 84 p 1

[Text] The commissioning of the Farakka barrage in India has increased the flood flow in Bangladesh side of the Ganges by the additional 1,20,000 cusecs of water, reports ENA.

It was stated by a veteran expert on hydrology Mr Shafiq-ul Huq in his paper on "development of the Ganges basin" at the seminar organised by the Institution of Engineers of Bangladesh at its 28th annual conference in Dhaka on Monday.

Mr Huq said the Farakka project of India is not only depriving Bangladesh of the considerable volume of vital winter flows of the Ganges but also diverting more flood flows during monsoon to Bangladesh causing more damage to country's agriculture, pisciculture, navigation and forestry.

The large scale upstream diversion of winter flows of the Ganges has also compounded the problems of Bangladesh as it causes intrusion of saline water from the Bay of Bengal.

Mr Huq pointed out execution of the Ganges barrage project in Bangladesh has become a necessity for optimum utilisation of the present low winter flow and augmentation of the flow of the Ganges during the lean season and also for development of winter irrigation in the Ganges basin of Bangladesh.

Mr Huq suggested that measures should be taken immediately at national level and also to get help from international bodies to execute the Ganges barrage project.

He said appeals may be made to the co-riparian countries for cooperation for development of the Ganges basin. Besides, developed and rich countries should also be urged to provide financial assistance for development of the river basin, he suggested.

He also recommended that execution of the Ganges barrage, estuary control and re-excavation of old channels with control structures in the area should be considered with priority.

He said local consultancy services must be developed and encouraged to take active part in all river basin development projects of the country.